



ANNUAL REPORT

2007

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IN MEMORIAM



OFFICER MICHAEL BRIGGS

Born: May 2, 1971

End of Watch: October 17, 2006

CPL N. BRUCE MCKAY, III

Born: November 6, 1958

End of Watch: May 11, 2007



**U.S. Department of Justice**

Thomas P. Colantuono
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MESSAGE FROM U.S. ATTORNEY TOM COLANTUONO

On behalf of all the employees of the United States Attorney's Office for the District of New Hampshire, I am pleased to present our Annual Report for fiscal year 2007, October 1, 2006 to September 30, 2007.

This was a challenging year for our office. Our national leaders gave us several new initiatives to undertake, in addition to the major initiatives that started at the beginning of the Bush administration. While the fight against terrorism and violent crime remained the top two priorities of the Department of Justice, two new major initiatives were added to our portfolio: a program designed to protect our children from online predators called "Project Safe Childhood," and an anti-gang program called "Operation G.R.I.P." (Gang Resistance Through Investigation and Prosecution.) Working with our law enforcement partners, our staff enthusiastically embraced these new projects, building on our successes with the Anti-Terrorism Advisory Council and Project Safe Neighborhoods.

This was also a sad year for the law enforcement community, as we lost two of New Hampshire's finest in the line of duty. On October 18, 2006, Officer Michael Briggs of the Manchester Police Department was killed near the end of his bicycle patrol shift in Manchester. Then on May 11, 2007, Corporal Bruce McKay of the Franconia Police Department was killed during a traffic stop on Route 116 in Franconia. Our sympathies and prayers go out to the families, friends, and colleagues of these brave men.

For further information about what we do, please go to our website, www.usdoj.gov/usao/nh, where citizens can access additional information about the work of our office.

Tom Colantuono

MISSION STATEMENT

“The mission of the United States Attorney’s Office for the District of New Hampshire is to work together with federal, state, county and local partners to protect the citizens of the district from terrorism and crime, to provide top quality legal representation, to enforce federal laws and advance the interests of the United States Government, and to attain the highest standards of professionalism in our trial and appellate advocacy.”



On June 4, 2007, the Espom Traffic Circle was dedicated to the memories of fallen police officers Jeremy Charron and Michael Briggs



Introduction to the U.S. Department of Justice and the United States Attorney's Office

The United States Department of Justice is the protector of America's freedom. It's mission is to defend the life and liberty of the American People. The Department carries out its responsibilities by its commitment to:

- Prevent terrorism and promote America's security;
- Enforce federal laws and represent the rights and interests of the American People;
- Assist state, local and tribal efforts to prevent or reduce crime and violence; and
- Ensure the fair and efficient operation of the federal justice system.

The Department of Justice has produced results in each of these important areas by:

- Dismantling terrorist cells, disrupting weapons procurement plots, shutting down terrorist-affiliated charities, and establishing a terrorism prevention strategy;
- Prosecuting more federal gun-crime charges and more defendants with federal gun crimes; contributing to a 20-year low in violent crime and substantial reduction particularly in robberies, assaults and rapes, advocating for greater prison terms for violent offenders, dismantling priority drug trafficking organizations and tracking down more criminal fugitives;

- Collecting more in civil and criminal forfeiture; increasing the number of corporate fraud prosecutions and cases charging civil rights and bias-motivated crimes; and
- Establishing outreach initiatives and partnerships with all levels of government, including Anti-Terrorism Advisory Councils, Project Safe Neighborhoods, Project Safe Childhood, Weed and Seed programs, and law enforcement working groups focusing on prevention, disruption and prosecution of priority criminal activities.

The United States Attorney's Office is charged with fulfilling each part of the Department of Justice mission in New Hampshire. Its accomplishments are exemplified by the work of its Criminal, Civil and Administrative Divisions, and its Anti-Terrorism Advisory Council.



ANTI-TERRORISM ADVISORY COUNCIL / LAW ENFORCEMENT COORDINATING COMMITTEE

Combating terrorism remains the number one priority of the Department of Justice. Each U.S. Attorney's Office has important anti-terrorism responsibilities. As the chief federal law enforcement officer in New Hampshire, U.S. Attorney Colantuono chairs the Anti-Terrorism Advisory Council (ATAC), a group of law enforcement and other government officials whose departments are involved in the anti-terrorism effort in New Hampshire.

The mission of the ATAC is to promote information sharing, provide training, coordinate the overall anti-terrorism mission, work closely with the Joint Terrorism Task Force (JTTF) and aggressively prosecute any terrorist or terrorism-related cases.

Each U.S. Attorney's Office also hosts a Law Enforcement Coordinating Committee (LECC) under the direction of the U.S. Attorney, assisted by Law Enforcement Coordinator, Mark Long. Because the agencies involved on the ATAC are also members of the LECC, both groups meet together at the same time on a bi-monthly basis, usually on the second Wednesday of the month.



The New Hampshire ATAC/LECC include the following agencies:

- Bureau of Alcohol, Tobacco, Firearms and Explosives
- Concord Police Department
- Defense Criminal Investigative Service
- Department of State Diplomatic Security Service
- Drug Enforcement Administration
- Environmental Protection Agency
- Federal Bureau of Investigation
- Hillsborough County Attorney's Office
- Internal Revenue Service
- Londonderry Police Department
- Manchester Police Department
- Manchester Airport Security
- Merrimack County Attorney's Office
- Nashua Police Department
- Naval Criminal Investigative Service
- New England Division, AMTRAK
- New England HIDTA
- New Hampshire Department of Justice
- New Hampshire Department of Safety
 - Director of Homeland Security
 - New Hampshire State Police
 - New Hampshire Fire Marshal's Office
 - Division of Safety Services, Marine Patrol
- New Hampshire Fish and Game Department
- New Hampshire Police Standards & Training Council
- New Hampshire National Guard
- Newington Police Department
- Portsmouth Police Department
- Rockingham County Attorney's Office
- Rockingham County Sheriff's Office
- Royal Canadian Mounted Police
- Seabrook Police Department
- Sûreté du Québec
- U.S. Air Force
- U.S. Attorney's Office, District of Maine
- U.S. Department of Agriculture
- U.S. Department of Commerce
- National Oceanic and Aviation Administration
 - National Marine Fisheries Service
- U.S. Department of Homeland Security
 - Bureau of Customs and Border Protection
 - Bureau of Immigration and Customs Enforcement
 - Coast Guard
 - Coast Guard Investigative Service
 - Federal Air Marshals
 - Federal Protective Service
 - Secret Service
 - Transportation Security Administration
- U.S. Marshals Service
- U.S. Postal Inspection Service
- U.S. Probation Office
- 12th Civil Support Team, NH National Guard

ATAC/LECC MEETINGS

Since its formation in 2001, the ATAC/LECC has become an important resource for the state, local and federal agencies responsible for the safety of our citizens and the security of our infrastructure. By bringing together leaders dedicated to defeating terrorism, the ATAC/LECC helps to facilitate coordination, planning and training, and promotes communication among officials who command unique resources but share a common mission.

Thanks to the hospitality of friends at the Police Standards and Training Academy, the New Hampshire Fire Academy and the New Boston Air Force Station, the ATAC/LECC holds six meetings each year in a number of different venues. We also thank BAE Systems for hosting a special meeting of the ATAC in December at its Nashua facility.

Each meeting provides an opportunity for members to report on the status and progress of anti-terrorism initiatives, upcoming exercises and training opportunities, and to receive up-to-date information on a host of other issues. Over the past year, ATAC/LECC members also received briefings on subjects including:

October 2006 -

- National Infrastructure Institute Center for Infrastructure Expertise-Update on Canada/U.S. Cargo Security Project
- Update on New Hampshire National Guard 12th Civil Support Team

December 2006 -

- BAE Systems, Nashua, NH - Public/Private Technology Solutions for Aircraft Safety and Homeland Security



February 2007 -

- DHS/Customs and Border Protection - Air and Marine Program Protecting the Northern Border

April 2007 -

- "Intelligence 101" for Law Enforcement - Collecting National Security Information in a Post 9/11 World

June 2007 -

- Project Safe Childhood Conference, North Conway, NH

August 2007-

- New Hampshire Homeland Security Strategy
- DHS Chemical Plant Initiative



On June 26, 2007, Coast Guard Captain Steven Garrity retired as Captain of the port of Portland, Maine and Sector Northern New England, replaced by Captain James Rendon. The U.S. Coast Guard is a key partner of the A.T.A.C.

ATAC / INTELLIGENCE SPECIALIST

Following the September 11, 2001 attacks, the Department of Justice determined that each U.S. Attorney's Office should have an Intelligence Specialist (IS) responsible for obtaining, coordinating, analyzing, and disseminating terrorism-related information. The IS is the U.S. Attorney's liaison to our national intelligence agencies. He is equipped to communicate with law enforcement and intelligence agencies via the Secret Internet Protocol Router Network (SIPRNET), secure telephone and fax system, NCIC/NLETS/CPIC, Law Enforcement Online (LEO) and the Regional Information Sharing System (RISS). The IS receives and analyzes classified and unclassified intelligence information and coordinates intelligence activities with members of the district's Anti-Terrorism Advisory Council (ATAC) and Joint Terrorism Task Force (JTTF). The goal of this intelligence effort is to share information and resources needed to detect terrorist networks and to arrest and prosecute terrorists before they act. The IS supports the ATAC under the general guidance of the U.S. Attorney and the ATAC Coordinator. The Attorney General directed the IS to "provide JTTF with intelligence information generated by ATAC members who are not JTTF members, as well as intelligence obtained by the USAO's from non-terrorism prosecutions and investigations. The IS maintains address rosters, an e-mail tree and an extensive list of contacts for law enforcement and the private sector from which information can be pulled or pushed in support of any number of situations. The IS also works with area Integrated Border Enforcement Teams, Royal Canadian Mounted Police (RCMP), Canadian Security Intelligence Service (CSIS), Sûreté du Québec and other agencies or bodies responsible for covering the NH/Canadian border area.

The IS provides a conduit for local law enforcement intelligence officers to contact other regional, state and international organizations and creates networks of counterterrorism intelligence, training and assistance. The IS provides counter terrorism training to law enforcement officers, teaching ATAC members to: (1) identify potential targets of attack in the district; (2) plan for contingencies; and (3) spot seemingly innocuous items and expeditiously report suspicious activities to the intelligence community. The IS filters material from numerous intelligence bulletins and alerts for distribution to the appropriate local agencies. An informal network of Intelligence Specialists exists between all 94 U.S. Attorney's districts permitting each to quickly draw on the experience of others.

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Integrated Border Enforcement Team (IBET) members Stanstead, Québec

ATAC / CANADA/US CARGO SECURITY PROJECT

The Canada/United States Cargo Security Project (CUSCSP), originally known as Operation Safe Commerce-Northeast, is a public-private partnership of United States and Canadian members dedicated to improving cargo container security practices throughout the entire supply chain. The CUSCSP is co-chaired by U.S. Attorney Colantuono and Vermont U.S. Attorney Tom Anderson. Since 2002, it has been the strategic goal of the CUSCSP to produce prototype point-of-origin security technologies to secure the international container shipping system while allowing the United States to maintain open borders and facilitate commerce.

Fiscal year 2007 saw the completion of an extensive report on the Phase IIa testing by our partners at the Lawrence Livermore National Labs. The report was made available to the U.S. and Canadian governments for their use in furthering efforts to protect the cargo container supply chain. This project resulted in progress in three key areas. It helped to solidify the relationship between U.S. Attorney's Offices and federal agencies within the Department of Homeland Security and specifically the U.S. Coast Guard. It also helped to strengthen international relationships between the northeastern states and the provinces of Quebec and Nova Scotia, and between Canadian and American law enforcement authorities. U.S. Attorney Colantuono thanks the staff of the National Infrastructure Institute Center for Infrastructure Expertise and its director, Don Bliss, as well as the contract manager of the project, Ray Gagnon, for their tireless efforts to make the project a success.

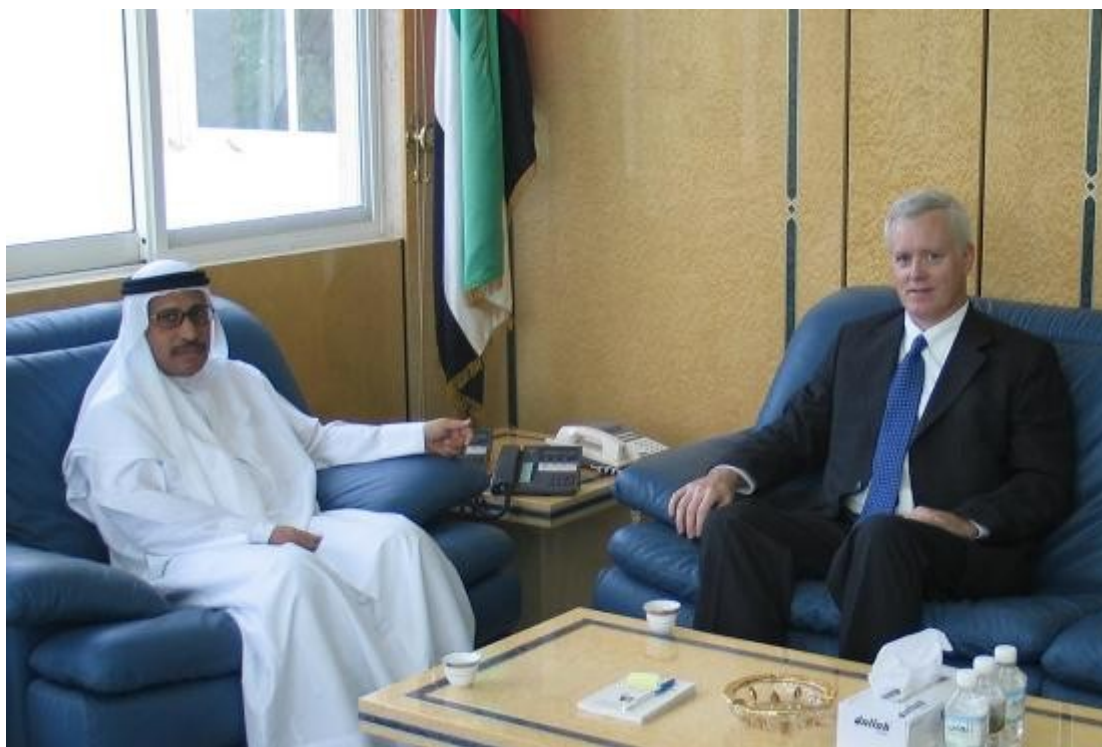


Project Director
Raymond Gagnon and
Director Don Bliss of
the National
Infrastructure
Institute's Center for
Infrastructure Expertise

ATAC / OVERSEAS PROSECUTORIAL DEVELOPMENT ASSISTANCE AND TRAINING

Michael Gunnison, the District's Anti-Terrorism Coordinator, is on detail to the Justice Department's Overseas Prosecutorial Development, Assistance and Training Office (OPDAT). He is based at the U.S. Embassy in Abu Dhabi, and is responsible for the United Arab Emirates (UAE), Saudi Arabia, Kuwait, Qatar and Jordan. He also has intermittent responsibilities for Oman and Yemen. As OPDAT's Resident Legal Advisor for the Middle East, Mike works with international partners to advance anti-money laundering and counterterrorist financing (AML/CTF) policies. He provides training for prosecutors and judges and arranges U.S. visits for his Middle East counterparts. He also works with U.S. law enforcement, DOJ's Office of International Affairs and DOJ's Office of Enforcement Operations Prisoner Transfer Unit to promote mutual cooperation and obtain judicial assistance in criminal matters.

This year Mike continued to develop the UAE program and initiated DOJ programs for prosecutors and judges in Jordan, Qatar and Dubai. Other AML/CTF initiatives involve programs to implement and bolster effective Financial Investigation Units, and measures to deter bulk cash smuggling, regulate hawalas, monitor charities and prevent the import and re-export of strategic materials in the region. All of these require collaboration with host governments as well as inter-agency coordination among the Departments of State, Treasury, Commerce, Homeland Security and Justice. Mike serves as the DOJ representative to the US-UAE Joint Terror Finance Coordination Committee and the Middle East North Africa Financial Action Task Force ("MENA FATF").



Resident Legal Advisor Michael Gunnison and United Arab Emirates Attorney General Salim Saeed Kubaish at the Ministry of Justice in Abu Dhabi



Resident Legal Advisor Michael Gunnison with members of Jordan's Military Jurisdiction Directorate at OPDAT-sponsored training seminar in Amman, Jordan



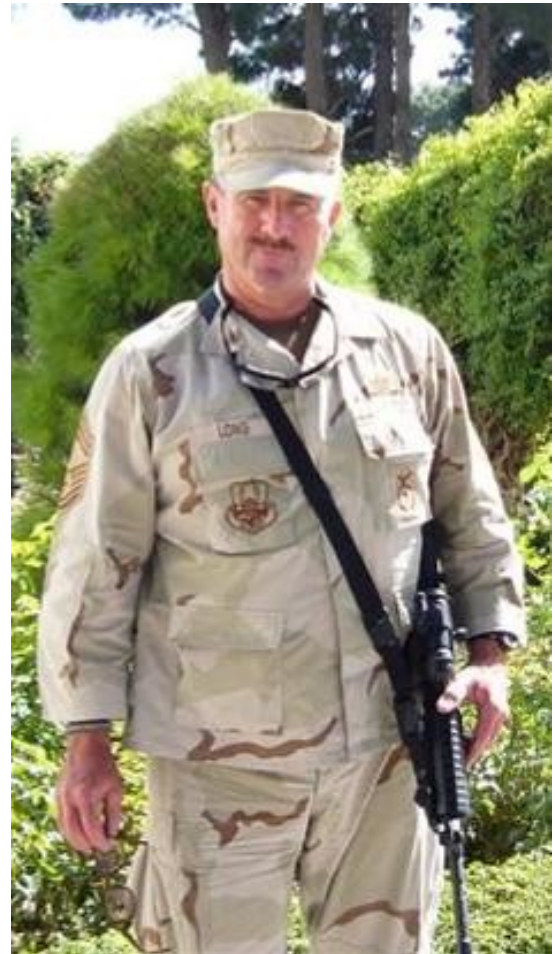
Resident Legal Advisor Michael Gunnison and Abdul Rahim Al Awadi, Head of the UAE Central Bank's Financial Investigation Unit, on a visit to Ras Al Khaimah during the Annual Meeting of the UAE National Anti-Money Laundering Committee

LECC

The District's Law Enforcement Coordination Committee (LECC) is headed up by Law Enforcement Coordinator (LEC) Mark Long. Mark is an active member of the Rockingham County Law Enforcement Association, New Hampshire Association of Chiefs of Police, New Hampshire Police Officers Association, and a member of the advisory board National Law Enforcement & Correction Technology Center, New England.

Mark serves as the United States Attorney's representative in a number of different law enforcement groups, initiatives, and training events.

Mark also serves our country as a Chief Master Sergeant in the New Hampshire Air National Guard. He volunteered to serve in Afghanistan beginning in June 2007, and returned in October. While he was serving in Afghanistan, we received word that he won a National award for Outstanding Service in the Weed & Seed program. The Manchester Weed & Seed Steering Committee nominated him for the 2007 Director's Award under the Community Capacity Development Office for promoting the importance of a Weed & Seed Strategy in Manchester. Because of Mark's consistent presence and dedication, Manchester is now in "graduated site" status.



Manchester Police Chief John A. Jaskolka, Manchester Mayor, Honorable Frank C. Guinta, and LEC Mark Long

LECC TRAININGS

Gang Intervention Summit

On October 5, 2006, the U.S. Attorney's Office and the New Hampshire Department of Health and Human Services, Juvenile Services Division, co-sponsored our first ever Gang Intervention Summit at the Wayfarer Hotel in Bedford. Three hundred law enforcement, educators, and juvenile services professionals heard presentations about gang violence and crime from local and national experts.

Clyde Garrigan speaks at Summit



Cross-Border Prosecutor's Conference

On October 12 and 13, 2006, U.S. Attorney Colantuono joined colleagues from Maine, New Hampshire, Vermont, and upstate New York in Quebec City for the first annual Cross-Border Prosecutor's Conference to discuss cooperative efforts in fighting crimes that cross our international border.

Gang Investigators Conference

From April 30 to May 3, 2007, the U.S. Attorney's Office, together with the East Coast Gang Investigators Association and the New England State Police Information Network (NESPIN) co-sponsored a training for gang investigators. Over 300 police, corrections, and probation and parole officers from throughout New England met at the Radisson Hotel in Manchester.



LECC TRAININGS (Cont.)

Project Safe Childhood Conference

On June 13 - 14, 2007, U.S. Attorney Colantuono and Maine U.S. Attorney Paula Silsby co-hosted our first Project Safe Childhood Conference at the Grand Hotel in North Conway, New Hampshire. Over 165 law enforcement, corrections, probation and parole, and social services professionals learned about the PSC strategy and how their agencies can best protect our children from online predators.



ATF Explosives Training

During the week of July 24, 2007, thirty New Hampshire police officers and fire officials received specialized training from ATF experts from all over the country in the field of explosives at the New Hampshire Fire Academy.



PSC School Resource Officer Training

On August 22, 2007 in Concord, PSC training contractor, Melissa Royer, held a training on computer forensics for twenty school resource officers from throughout the state.



NESPIN Annual Conference

On September 11-13, 2007, the U.S. Attorney's Office co-hosted the New England State Police Information Network's (NESPIN) Annual Law Enforcement Conference in Nashua for police officers from throughout New England entitled "Thin Blue Line: To Protect and Serve." U.S. Attorney Colantuono delivered the welcoming remarks to several hundred attendees.



New Hampshire Asset Forfeiture Training

On September 14, 2007, the Asset Forfeiture Unit, DEA, New Hampshire State Police and the New Hampshire Attorney General's Office presented a training for 36 state and local police officers at the Police Standards and Training Academy on federal and state asset forfeiture laws and equitable sharing procedures.

LECC: OPERATION STREETSWEeper GRANTS

Congress passed a continuing resolution to fund the federal government for the entire fiscal year 2007, with no earmarked funds. Therefore, Congress made no new appropriation to continue the Operation Streetsweeper grant program. Early in the fiscal year, two grants were made to New Hampshire law enforcement agencies with funds left over from FY 2006:

- | | |
|----------|--|
| 11-01-06 | Portsmouth Police Department \$119,583 Special Investigations Unit
This grant continues to support Portsmouth's Special Investigation Unit in combating illegal drug activity within the city of Portsmouth. |
| 12/13/06 | Kensington Police Department \$36,000 Manpower
This grant was used to pay for the costs associated with an officer assigned to the New Hampshire Attorney General's Drug Task Force. |

The U.S. Attorney's Office thanks U. S. Senator Judd Gregg for having sponsored this highly successful and effective program since 1998.

WEED AND SEED

I have great faith in a seed...Convince me that you have a seed there, and I am prepared to expect wonders.” Henry D. Thoreau

The U.S. Attorney’s Office for the District of New Hampshire has continued its involvement and partnership with Manchester’s Weed and Seed site. The success of the program was confirmed as the site just completed its fifth and final year of funding by the U.S. Department of Justice Community Capacity Development Office.

The past year has had many highlights:



1. WEED AND SEED NOW HAS GRADUATED SITE STATUS

With the support of the United States Attorney’s Office, the Manchester, NH Weed and Seed site was granted Graduated Site Status by the United States Department of Justice through the Community Capacity Development Office (CCDO). The status is granted to a site in good standing when its Official Recognition (OR) status has expired. Benefits of the Graduated Sites Status can include financial and technical assistance in maintaining the strategy and continued funding for travel to Weed and Seed conferences and training events.

2. VISTA VOLUNTEER IS WEED AND SEED COMMUNITY LIAISON

Weed and Seed, through the Manchester Health Department, welcomed Tracy Degges as the Weed and Seed VISTA Community Liaison. Tracy will provide direct support to the Community Policing Unit of the Manchester Police Department by facilitating communication between residents and city departments. Tracy will be working with the neighborhood watch groups, implementing training for the groups on safety and awareness for residents, as well as presentations on crime prevention and awareness such as Meth Lab identification.

3. MPAL BUILDING RE-NAMED

Manchester Police Athletic League Mission Statement: The goals of the Manchester Police Athletic League are to cultivate and improve moral and civic standards in our youth, promote positive communication between police officers and children, and create an interest among citizens and the business community in their responsibilities to the youth in their communities.

On May 21, the Manchester Police Athletic League (MPAL) re-named the building on Lake Avenue the **Officer Michael Briggs Community Center**. The re-naming was in honor of Officer Michael Briggs who was killed in the line-of-duty in October, 2006 in the community the Center now serves. LEC Mark Long and AUSA Helen White Fitzgibbon attended the ceremony.

Although the MPAL is an organization primarily dedicated to the youth in the community, MPAL reaches out to assist the adult population as well. Since the facility opened, the MPAL/Briggs Center has hosted numerous community meetings for crime watch groups and meetings between

Government leaders and the community. The MPAL/Briggs Center provides community access to government leaders in a “town meeting” format. Speakers have included Senator Judd Gregg, Governor John Lynch, United States Attorney Tom Colantuono, Manchester Mayor Frank Guinta and Manchester Police Chief John Jaskolka.

OTHER EVENTS OF THE PAST YEAR

Weed & Seed has been collaborating on many fronts through the year:

- *National Night Out*, held August 7th, saw over 600 participants connected to or supporting neighborhood watch groups and community policing efforts.
- *The Latino Festival* on August 18th saw over 500 community residents who were able to receive Spanish and English literature on health tips to safety procedures.
- *The Summer Youth Clean Streets Project* went very well with over 20 youth completing the summer work program. Their last project was working with Weed and Seed residents on the Maple Street Substation walk path.
- In August, Weed and Seed was proud to send three representatives: Former MPD Deputy Chief, Richard O’Leary, Ellie Therrien and Renie Denton, to the National Law Enforcement Conference in Detroit.
- *The Fourth Annual Block Party* held on September 22 was a huge success with over 700 in attendance throughout the day.



AUSA Helen Fitzgibbon at the Weed and Seed Block Party on September 22 with Sgt. Kevin Kincaid of Manchester Police Department and Manchester citizen, Ed Russell

RECOGNITION

The U.S. Attorney’s Office congratulates recently promoted Captain Rick Reilly and Sergeant Dana Langton and thanks them for their dedication to the Weed and Seed Strategy. We look forward to working with Lieutenant Scott Legasse and Officer Mark Ampuja, Manchester Police Department’s newest coordinators for Weed and Seed.

PROJECT SAFE NEIGHBORHOODS/OPERATION G.R.I.P.

Project Safe Neighborhoods (PSN) is a federally-funded program intended to reduce gun violence through law enforcement training, public education, and aggressive law enforcement efforts to investigate and prosecute gun-related crimes. It is coordinated by the United States Attorney in each federal district. U.S. Attorney Tom Colantuono is assisted in this PSN initiative by Assistant U.S. Attorney Clyde Garrigan, who serves as PSN Coordinator in New Hampshire. The project is overseen by a Task Force of federal, state, county and local law enforcement officials from all over New Hampshire. The PSN Task Force, which meets regularly, includes representatives of the following agencies.



- **Bureau of Alcohol Tobacco, Firearms and Explosives**
- **Eastlantic Advertising (Media Partner)**
- **Hillsborough County Attorney's Office**
- **Justice Works (Research Partner)**
- **St. Anselm's College**
- **University of New Hampshire**
- **Manchester Police Department**
- **Merrimack County Attorney's Office**
- **Nashua Police Department**
- **New Hampshire Department of Corrections**
- **New Hampshire Department of Justice**
- **Portsmouth Police Department**
- **Rockingham County Attorney's Office**
- **U.S. Marshals Service**
- **U.S. Probation Office**
- **Hillsborough County Sheriff's Office**
- **Federal Bureau of Investigation**
- **Drug Enforcement Administration**
- **Immigration and Custom Enforcement**
- **Rochester Police Department**
- **Belknap County Sheriff's Office**
- **Rockingham County House of Corrections**
- **NH Liquor Enforcement**
- **NH Health & Human Services**
- **Juvenile Justice Services**
- **NH State Police**
- **Concord Police Department**

Since the PSN program was initiated in New Hampshire in May of 2001, the U.S. Attorney's Office has seen significant increase in the number of investigations and prosecutions of gun crime cases. In FY 2007, the Office prosecuted 41 gun crime cases, compared to 9 cases in 1996. (This does not include gun cases prosecuted in state court by the cross-designated PSN gun prosecutor.) Sentences imposed in PSN cases are also significant. Data shows that in 2007 approximately 46% of defendants convicted of federal firearms offenses in New Hampshire were sentenced to serve more than five (5) years in federal prison.

Our strategic focus on the unlawful possession of firearms by convicted felons, particularly those who qualify as Armed Career Criminals, has been very successful, as has our targeting of drug users and addicts unlawfully possessing firearms.

As a key initiative in New Hampshire to reduce gun violence, PSN has kept its promise: "In New Hampshire, Gun Crime means Hard Time." In May 2005, the U.S. Attorney General announced a new initiative directed at gang violence called Operation GRIP: Gang Reduction through Investigation and Prosecution. He directed that every U.S. Attorney's Office in the United States appoint an Anti-Gang Coordinator. Each district was required to survey law enforcement and community organizations and groups to determine the nature and extent of gang activity and develop strategies to meet the threat. This new national initiative was intended to be modeled on and linked directly with the Project Safe Neighborhoods efforts already successfully operating.



Captain Rick Reilly, Officer Paul Rondeau and Captain Jerry Lessard of the Manchester Police Department present U.S. Attorney Colantuono with an anti-gang T-shirt designed by Officer Rondeau. The T-Shirts were given out to at-risk youth in Manchester via the Manchester Office of Youth Services, NH Juvenile Probation and Parole Officers, the Manchester Police Department, School Resource Officers and were also distributed to children through the Manchester Police Athletic League

PROJECT SAFE NEIGHBORHOODS /OPERATION G.R.I.P.

In New Hampshire, the United States Attorney appointed his PSN Coordinator, AUSA Clyde Garrigan, to serve as Anti-Gang Coordinator. Colantuono also designated the already existing and effective PSN Task Force to serve as the Anti-Gang Task Force, and invited other federal law enforcement agencies including FBI, DEA and ICE to join. In May 2006, the district was awarded \$110,000 to fund initial anti-gang efforts. Grants have been awarded to the highly successful U.S. Marshal's Fugitive Recovery Task Force, to fund specialized anti-gang patrols by the Manchester Police Department, to the Police Standards and Training Council for anti-gang training, and to our PSN media partners, Eastlantic Advertising, for an anti-gang media campaign directed at keeping youth out of gangs.



Eastlantic has produced a video entitled "Target New Hampshire" which is aimed at middle school students. It includes discussions about gun violence, gangs, influences of the media and internet bullying. It is in its final stage of production and will be distributed to every middle school in New Hampshire when completed. The video has already been recognized for its excellence by regional media. In addition, Eastlantic has produced two anti-gang posters, one for elementary school students and the other for middle school students, which will be distributed throughout New Hampshire in the near future.

Each federal district was also directed to hold a multi-disciplinary Anti-Gang Summit. We held a very successful Gang Intervention Summit on October 5, 2006, at the Wayfarer Conference Center in Bedford. It was co-sponsored by the New Hampshire Department of Health and Human Services, Division of Juvenile

Justice Services. Approximately 300 persons attended including law enforcement, community leaders, social service providers, educators and government officials. The program focused on the gang problem nationally and locally. Among the excellent speakers were Phelan Wyrick,



PSN Coordinator Clyde Garrigan, PSN media consultants from Eastlantic Franne Ciriello, President and Dan Grinley, Creative Director receive the Telly Award in the June 2007

Ph.D., Department of Justice Gang Program Coordinator, and FBI Intelligence Analyst Melanie Pierson who spoke on national and international gangs (particularly MS-13), as well as Anthony Braga of Harvard University who described the successes and methods of Operation Ceasefire in Boston. The summit can be viewed online at the U.S. Attorney's website. www.usdoj.gov/usao/nh.

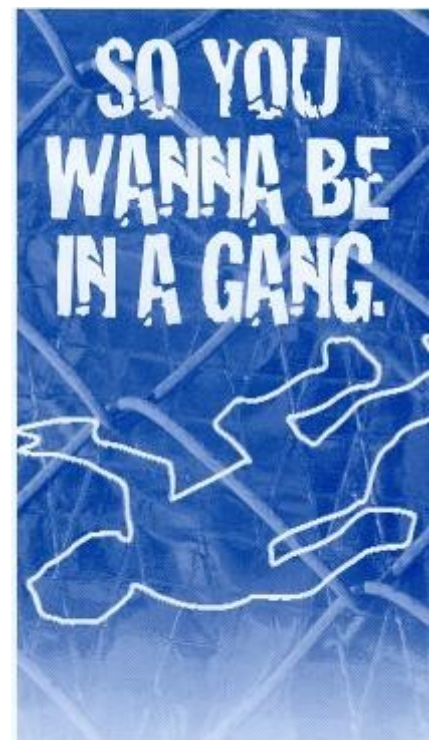
Acting under the leadership of Attorney General Kelly Ayotte and U.S. Attorney Colantuono, the PSN/Operation G.R.I.P. Task Force has developed a Statewide Strategy to combat and deter the growth of gangs and gang-related crime and violence. The Strategy has two parts. The first part addresses general actions that can be taken on a statewide basis. But since the Task Force recognizes that gang problems are most often manifested at the local level, they need to be dealt with locally. Therefore, the second part of the Strategy suggests a template or outline, for how local communities can establish their own anti-gang partnerships. This is only a guide to assist communities. Each community will know best how to structure its own group if the community leaders decide that they have a gang

problem that needs to be addressed. The PSN Operation G.R.I.P. Task Force, representing key federal, state, and local agencies involved in the fight against gang crime and violence, stands ready to assist local communities in this important work in any way we can.

The entire Anti-Gang Strategy can be found on the U.S. Attorney's Office Website.



AUSA Clyde Garrigan, FAUSA Joe Laplante, and US Attorney Colantuono at the Gang Intervention Summit held October 5, 2006 in Bedford.



PROJECT SAFE NEIGHBORHOODS / OPERATION G.R.I.P.



EAST COAST GANG INVESTIGATORS CONFERENCE

The U.S. Attorney's Office, along with the East Coast Gang Investigators Association, co-sponsored the "Gang Bustin' East Coast Style" Training Conference in Manchester on April 30-May 2, 2007. Nationally recognized experts addressed 300 law enforcement officers from all over New England on a wide variety of topics including gang recognition and identification, gang prevention, investigative techniques, and officer survival.



SAFE STREETS TASK FORCE

In response to perceived expanding gang activity and violence, the United States Attorney has requested that an FBI led Safe Streets Task Force be authorized for Manchester. Presently, 182 of these Task Forces are operating throughout the United States. FBI Agents teamed with Manchester Police Detectives have already begun conducting criminal gang investigations in the city.



PSN NATIONAL CONFERENCE

The fifth Project Safe Neighborhoods National Conference was held in Atlanta, Georgia on September 17-19, 2007. United States Attorney Colantuono, along with other PSN Task Force partners representing state and local law enforcement, joined over a thousand other attendees to share the initiatives and successful strategies for combating gun crime and gang violence. New national public service announcements for PSN were premiered.

On September 20, 2007, the United States Attorney conducted a community roundtable at the Officer Michael Briggs Community Center (formerly the Manchester Police Athletic League) in Manchester. The United States Attorney and other PSN Task Force Partners reported to Manchester Mayor Frank Guinta, the community and the media on the continuing efforts to thwart gun violence and gang activity. The state wide anti-gang strategy was presented and the new PSN PSA's unveiled.

The theme for the new television and radio PSA's, created in partnership with the Ad Council, is "Babies." These 30 and 60 second spots are intended to educate youth about the perils of gun crime and its devastating family impact. The radio spots provide a glimpse into the reality of gun crime and its consequences through interviews with individuals convicted of gun crimes and their family members. This is part of PSN's strategy not just to respond to gun and violence, but to prevent it.

PROJECT SAFE NEIGHBORHOODS / OPERATION TAPS

In response to the tragic murder of Manchester Police Officer Michael Briggs in October 2006, the Manchester Police Department, the Bureau of Alcohol, Tobacco, Firearms and Explosives and the U.S. Attorney's Office joined together to conduct Operation TAPS ("Targeting Armed Perpetrators").

Intense, aggressive investigation and prosecution of all crimes involving guns in Manchester culminated in February 2007 with 16 defendants being arrested and charged in federal court with violations of the federal firearms laws. Activities involving 143 firearms have been investigated and 65 firearms were recovered and taken off the streets. Some of these very successful investigations and prosecutions are described below:

United States v. Julio Sotomayor

Sotomayor was charged with being a Felon in Possession of a Firearm, and pled guilty to an information charging that he had possessed two 9mm pistols during October 2006. Sotomayor had been convicted in 1999 in Hillsborough County Superior Court of four felony counts of Sale of a Controlled Drug (marijuana). Sotomayor was sentenced on May 21, 2007, to serve 5 years in federal prison to be followed by three years of supervised release.

United States v. Dale Calawa

Calawa, age 44, of Manchester, was charged in a two count indictment with engaging in a conspiracy to commit the November 24, 2006, robbery of Shell Hanover, Manchester, NH, and aiding and abetting the commission of the November 24, 2006, robbery. He entered a guilty plea and on July 31, 2007 was sentenced to serve 133 months in federal prison, to be followed by three years of supervised release.



US Attorney Colantuono, Manchester Police Chief John Jaskolka and Manchester Mayor Frank Guinta announce "Operation TAPS" on February 13, 2007

PROJECT SAFE NEIGHBORHOODS Cases

United States v. Bienvenido Jerez, a/k/a Edward Palacio: The defendant was arrested by the Bureau of Alcohol, Tobacco, Firearms and Explosives (BATFE) agents on November 7, 2006, in Plaistow, New Hampshire, after it was learned that he had purchased two Hi-Point .380 pistols using a false name and address. It was later determined that he was a felon, having been convicted in 1992 in Hillsborough Superior Court for drug sales under the alias “Edward Palacio, Jr.” A pistol he had previously purchased was recovered from a member of the Latin Kings gang in Lawrence, MA. He pled guilty on April 17, 2007, to an indictment charging him with being a Felon in Possession of a Firearm and Making a False Statement in Connection with Purchase of a Firearm. On July 26, 2007, Jerez was sentenced to serve 8 years in federal prison. Jerez was also ordered to serve 3 years of supervised release following his imprisonment.

United States v. Ellsworth Gottlieb: The case was the result of an investigation by the New Hampshire Attorney General’s Drug Task Force and the Manchester Police Department. The defendant was arrested in July 3, 2006, when Gottlieb and another individual attempted to sell a pound of crack cocaine. A loaded Kel Tec 9mm pistol was recovered at Gottlieb’s apartment. He had pled guilty on April 16, 2007, to Conspiracy to Possess with Intent to Distribute 50 grams or more of Cocaine Base (“crack”) and being a Felon in Possession of a Firearm. On August 27, 2007, Gottlieb was sentenced to serve 9 years in federal prison to be followed by 5 years of supervised release.

United States v. Gary Pratt: Pratt was convicted in January 2005, after a jury trial in federal court, of being a Felon in Possession and an Armed Career Criminal. Pratt had convinced a female acquaintance to buy him a Glock pistol at a gun store in Groveton, NH in September 2003. He planned to use the pistol to rob a credit union in Littleton or a supermarket in Lancaster. The defendant has a long criminal history and

qualified as an Armed Career Criminal, under federal law. Gary Pratt was convicted of armed robbery in 1995 and escape in 1990. He was also convicted of burglary in Carroll County Superior Court in 1990 and assault by prisoner in Merrimack County in 1988. He also has numerous convictions for receiving stolen property, drunk driving and other motor vehicle violations.

In October 2005, Pratt, age 36, was sentenced to serve fifteen years in federal prison. He appealed the conviction and the sentence to the United States Court of Appeals for the First Circuit in Boston. On August 8, 2007, the First Circuit denied Pratt’s appeal.

United States v. Carlos Delacruz: Delacruz, an illegal alien, purchased eight firearms from a federally licensed firearms dealer in southern New Hampshire and subsequently sold these firearms to reputed gang members in the Lawrence, Massachusetts area. The firearms were exchanged for cash and narcotics. Delacruz pled guilty to being an illegal alien in possession of a firearm and making a false statement in connection with the purchase of a firearm. He was sentenced to serve twenty-two months in federal prison.



IDENTITY CRIMES WORKING GROUP



Since its creation in March of 2003, the Identity Crimes Working Group has generated a steady series of successful felony prosecutions involving identity crimes of various types, often in conjunction with other mail, wire or credit card fraud charges. Regular participants currently represent approximately 40 different federal, state and local agencies.

In addition to harming victims in ways that cannot be measured merely in terms of the dollar amount involved in the credit card or other frauds that so often accompany this form of crime, identity fraud is among the crimes

that may constitute preparation for terrorism, or that may be conducted for the purpose of financing terrorism.

While Identity Crime by its very nature is usually complex and multi-jurisdictional, cases brought before the Working Group tend to move to a successful resolution quickly due to the combined talents and specialized abilities of the wide array of agencies participating.

As a result of input provided by the Identity Crimes Working Group to the President's National Task Force on Identity Theft, Assistant U.S. Attorney Alfred Rubega was requested to participate in the Criminal Law Enforcement Subgroup of the President's Task Force, and to serve as an instructor at the first ever training seminar on Identity Theft at the National Advocacy Center. That training was attended by over one hundred other Assistant U.S. Attorney's and Federal Agents, substantially assisting the coordinated nationwide federal effort to aggressively interdict and prosecute all types of identity crime.

The Identity Crime Working Group is chaired by AUSA Rubega and meets regularly every month at the U.S. Attorney's Office.



IDENTITY CRIME CASES



Ema C. Rodriguez, 43, of Hudson, New Hampshire was arraigned in U.S. District Court in Concord April 20, 2007, on a one-count indictment for falsely claiming a Social Security Number as her own. The indictment charges that Rodriguez is a citizen of Mexico.

Klever Peralta, 27, of Lawrence, Massachusetts, pled guilty in U.S. District Court in Concord on October 1, 2007, to a one-count indictment for falsely claiming a Social Security Number as his own. The defendant was indicted by a federal Grand Jury on April 11, 2007, after an investigation by the Social Security Administration, Office of Inspector General, and the Salem, New Hampshire Police Department. Peralta, a citizen of Brazil, pled guilty to falsely claiming, while attempting to open a bank account with the stolen Social Security Number.

After serving six months in jail for using a fraudulent VISA credit card to purchase merchandise totaling approximately \$30,000, **Mohammad Akram** was deported to Pakistan.

Gary Powers was charged with wire fraud based on allegations that he utilized credit card accounts belonging to other people to obtain services that were never provided to the credit card owners.

Beverly Starr was charged with mail fraud and use of an unauthorized credit card based on allegations that she used personal identifying information belonging to another person to obtain the card.

Marcelo Moraes, a citizen of Brazil, pled guilty to: (1) using different aliases while submitting fraudulent automobile accident claims to numerous insurance companies; (2) using fraudulent social security numbers and other personal identifying information to obtain four Vermont drivers' licenses, five Florida drivers' licenses and eight fraudulent Florida Identification cards; (3) using a counterfeit credit card to steal merchandise from a department store; (4) distributing a quantity of cocaine; and (5) stealing a truck and re-entering the United States after having been previously deported.

Luis Miguel Melo pled guilty to using a social security number and other personal identifying information that belonged to a deceased person to conceal his identity after being arrested for a drug related offense.

Jimmy Oshunkey was sentenced on May 11, 2007 to approximately 17 months in prison after a jury found him guilty of using false personal identifying information in an attempt to obtain a social security number.

Leo Wesley LaPorte was charged with mail fraud based on an allegation that he used personal identifying information belonging to his cousin in an effort to obtain a copy of his cousin's birth certificate.

Thomas Allason, of London, England, was fined \$5,000 after pleading guilty to producing false identification documents while a student at Dartmouth College in 2002.

Wanderlei Martins-Campos was sentenced to 10 months in jail for selling five counterfeit social security cards, five Resident Alien cards and one counterfeit United States Visa.

William Vickers was sentenced to six months in prison after pleading guilty to using personal identifying information belonging to other people to steal public utility services that were provided to a home he was renting.

PROJECT SAFE CHILDHOOD



In May, 2006, the U.S. Department of Justice announced Project Safe Childhood (PSC), an initiative designed to help law enforcement and community leaders develop a coordinated strategy to prevent, investigate and prosecute sexual predators, abusers and pornographers who target children through the internet. Each federal district was tasked to design a strategy whereby federal, state and local law enforcement community prevention and education programs, victim and parental groups, and other non-profit groups work together to combat internet child exploitation. To view our strategy, access our website at www.usdoj.gov/usao/nh. From December 4-6, 2006, the New Hampshire PSC team attended the first national Project Safe Childhood conference in Washington, DC. The team attended trainings and workshops designed to strengthen the PSC effort to protect our children throughout the state.

On March 23, 2007, U.S. Attorney Colantuono, together with state and local partners, held a series of events to help unveil the new national public service announcements for Project Safe Childhood. Media representatives were invited to any or all events. One such event was held at the Portsmouth Middle School. Rockingham County Attorney Jim Reams and Portsmouth Police Lieutenant Tim Brownell,

Commander of the Northern New England Internet Crimes Against Children Task Force, joined U.S. Attorney Colantuono in showing the newly released Public Service Announcements and discussing internet safety with students, teachers, staff and parents.

Then, on June 15 and 16, this office co-hosted a major PCS conference with U.S. Attorney Paula Silsby and the Maine U.S. Attorney's Office entitled *Protecting Our Children From Online Predators* in North Conway. Attendees included members of law enforcement, probation and parole officers, and child advocates. With over 160 in attendance, it was a great success.



BULLETIN BOARD



EVERYONE KNOWS YOUR NAME

www.projectsafefchildhood.gov

PROJECT SAFE CHILDHOOD (cont.)

Throughout 2007, U.S. Attorney Colantuono and the PSC Coordinator, AUSA Helen White Fitzgibbon, have implemented the strategy by expanding relationships with federal law enforcement agencies as well as state and local prosecutors. Through outreach and education, U.S. Attorney Colantuono and AUSA Fitzgibbon have delivered the message about PSC to the following groups and organizations:

10/10/06:

AUSA Fitzgibbon made a presentation on Child Exploitation Laws/Project Safe Childhood to the New Hampshire Chiefs of Police meeting in Concord.

10/25/06 to 10/27/06:

AUSA Fitzgibbon spoke about the Federal Child Exploitation Laws, a case study and the Adam Walsh Act, at the Attorney General's Conference on Child Abuse and Neglect at Waterville Valley.

12/14/06:

USA Colantuono and AUSA Fitzgibbon held press event for PSC for state, local and county officials and the media at the Governor and Executive Council Chambers

2/7/07:

USA Colantuono spoke about PSC in French at Club Richelieu in Manchester.

4/17/07:

AUSA Fitzgibbon gave a presentation on Project Safe Childhood to the Goffstown Rotary Club at St. Anselm College

4/28/07:

AUSA Fitzgibbon gave a presentation on Project Safe Childhood/Federal Child Exploitation Laws to Court Appointed Special Advocates (CASA) at the Concord City Library.

5/9/07:

USA Colantuono spoke about PSC to the Belknap County Chiefs of Police monthly meeting.

5/11/07:

USA Colantuono presented PSC to the Federal Executive Association's annual awards luncheon.

5/18/07:

USA Colantuono and AUSA Fitzgibbon taped an interview about PSC for WGIR radio in Manchester.

5/20/07:

USA Colantuono presented PSC to the Keene Rotary Club.



U.S. Attorney Colantuono speaks at the NH Federal Executive Association's 26th Annual Awards Luncheon held at the Elk's in Portsmouth on May 11, 2007.

5/25/07:

USA Colantuono spoke about PSC to the Coos County Chiefs of Police monthly meeting.

6/1/07:

USA Colantuono presented PSC to the DHHS Juvenile Justice Service Day Training.

6/13/07 to 6/14/07:

New Hampshire/Maine U.S. Attorneys' PSC Conference, North Conway. AUSA Fitzgibbon made a presentation with Maine's AUSA Gail Malone on the federal child exploitation laws.

6/15/07:

AUSA Fitzgibbon and NHSP Trooper Jill Rockey gave a presentation on the Adam Walsh Act/Sex Offender Registry to the Association for Treatment of Sexual Abusers (ATSA) in Concord.

7/11/07:

USA Colantuono spoke about PSC to the Grafton County Chiefs of Police monthly meeting.

9/26/07:

AUSA Fitzgibbon made a presentation to the New England Council on Crime and Delinquency at their annual conference at the Red Jacket in North Conway.



Utilizing a Project Safe Childhood grant from the Department of Justice, the U.S. Attorney's Office contracted with Melissa Royer of Defender Data Recovery & Forensic Services in Manchester to deliver presentations to community groups around the State of New Hampshire, including parents, teachers, students, and law enforcement officials to broaden their knowledge of the dangers of internet predators and other potential harmful internet abuse. Attendees at her classes learn to understand the potential dangers of social networking websites as well and how to recognize predators' grooming (luring) techniques and signs of cyber bullying. She made the following presentations:

6/21/07:

Met with adults enrolled in Manchester's Alternative Sentencing program. This seminar empowered the students to configure their home computers so they were able to block access inappropriate for children. Other topics included recommendations for the location of a child's computer and predatory risk factors such as unsecured access points.



Governor John Lynch, Attorney General Kelly Ayotte and U.S. Attorney Colantuono speak at the PSC commencement held on 12/14/06 in the Governor and Executive Council Chambers

7/31/07:

Met with the children attending Fun in the Sun at Gill Stadium in Manchester NH. The children were screened for the amount of time spent on the internet, incidents involving aggressive predatory behavior, cyber bullying and illegal downloads. The children were given a certificate upon the completion of the seminar and asked to screen their friends websites, away messages for inappropriate content. The children were asked to withhold from downloading illegal music, movies and software.

8/1 - 8/2/07:

Held a 2 day seminar with children attending Fun in the Sun at Theodore Pool on Head St in Manchester. The children were screened for the amount of time spent on the internet, what age they gave during the creation of their user profile on MySpace or other equivalent websites, the location of their computer, incidents involving aggressive predatory behavior, cyber bullying and illegal downloads. Additionally, the children were screened for cell phone usage, with GPS tracking capabilities, and for online gaming habits including who is paying for that service. They were given a certificate upon the completion of the seminar and asked to screen their friends websites, away messages for inappropriate content. The children were asked to withhold from downloading illegal music, movies and software.

8/22/07:

Held a training for School Resource Officers and showed them how to acquire data from student computers in a forensic matter.

9/17/07:

Met with children at the Bow Middle School. The children were screened for instances of abuse and educated on the ways of predatory grooming, consequences of illegal downloading and cyber bullying. Children were afforded the opportunity to speak openly about their experience with predators online.

PROJECT SAFE CHILDHOOD (cont.)

9/17/07:

Led a seminar for adults entitled 'Parents in Charge.' This seminar showed parents how to configure their home computers so they would be able to block inappropriate access. Other topics included recommendations for the location of a child's computer and predatory risk factors such as unsecured access points.

9/18/07:

Met with residents of Goffstown, NH to teach them the necessary skills and knowledge to keep their children safe when online.

9/20/07:

Met with students at Plainfield School in Plainfield, NH. Topics included cyber bullying, predatory solicitations, and illegal downloads.

9/20/07:

Met with students at Cornish Elementary School. Students were screened for internet savvy and were educated to the types of questions a predator may ask. Students were educated to the techniques used by the recording industry to track illegal downloading.

9/20/07:

Met with parents in Cornish, NH and educated them to the ways they can monitor their children on the home computer. Parents were also given the technical skills to block certain behavior and programs from being accessed on the home computer.

9/25/07:

Met with students at the Moore School in Candia, NH. Children were screened for the amount of time spent on the internet and what age they gave during the creation of their user profile on MySpace or other equivalent website. They were asked about the location of their computer, incidents involving aggressive predatory behavior, cyber bullying and illegal downloads.

9/25/07:

Met with the parents at the Moore School in Candia, NH. The seminar showed parents how to configure their home computers so they would be able to block inappropriate access. Other topics included recommendations for the location of a child's computer and predatory risk factors such as unsecured access points.

We look forward to continuing our work with our partners to expand community awareness of on-line safety and increasing the prosecution of those predators who use the internet to solicit children, or who encourage the ongoing abuse of children by the collection and trading of child pornography.



www.2smrt4u.com



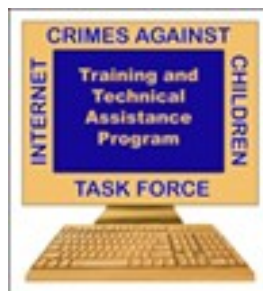
www.projectsafechildhood.gov



www.cybertipline.com



www.missingkids.com



www.icactraining.org



www.webwisekids.org



www.netsmartzkids.org



www.isafe.org



BOYS & GIRLS CLUB

www.bgca.org



www.ojjdp.ncjrs.org

PROJECT SAFE CHILDHOOD CASES

U.S. v. Richard Hawes

On March 21, 2007 Richard Hawes, 65, of New Boston, was sentenced to ten years in prison on a child pornography trafficking charge. On March 31, 2006 Hawes pled guilty to transportation of child pornography in violation of 18 U.S.C.A. §2252A after it was discovered that he had transported the pornographic images from Florida to New Hampshire.

The defendant was arrested in June of 2005, after the Manchester Police Department was notified by an employee of the CVS on South Willow Street that an individual had developed pornographic photographs of a child in a film developing kiosk in that store. Around the same time, a CVS employee from Nashua reported to Nashua police that an individual had developed photographs of the same nature in that store. An investigation by both police departments revealed that the photographs were of the same child. After unsuccessful attempts to identify the individual who had developed the photographs or the child depicted, images of the child's face were released to the national media with a request for assistance from the public in identifying the child. Within a day the victim was identified as a child in Florida with whom Hawes had recently been visiting.

Upon his release from prison, Hawes will be supervised by the United States Probation Office for the remainder of his life. He will also be required to register as a sex offender in any jurisdiction in which he resides.

United States v. Jeffrey Jones

On March 23, 2007, Jeffrey Jones, 50, of Hopkinton, was sentenced to five years in prison on a charge of receiving child pornography. On October 31, 2006 Jones pled guilty to receiving child pornography in violation of 18 U.S.C.A. § 2252A. The defendant was indicted on May 17, 2006, after placing a mail order for videotapes of child pornography. The "company" Jones placed the order with was actually an undercover U.S. Postal Agent.

Upon his release from prison, Jones will be supervised by the United States Probation Office for a period of ten years. He will also be required to register as a sex offender in any jurisdiction in which he resides.

United States v. Craig Marcotte

On May 14, 2007, Craig Marcotte, 26, of Manchester, was sentenced to 71 months for transporting a minor in interstate commerce with the purpose of having the child engage in illegal sexual conduct in violation of federal law.

The defendant was arrested in April of 2006 when



Manchester Police received information that the defendant was using a computer to lure minors for sex. Further investigation by the Manchester Police Department and the Federal Bureau of Investigation revealed that in March of 2005

Marcotte met a 14 year old boy from Massachusetts via his "My Space" account. Between March and June of 2005 Marcotte and the boy communicated with each other using AOL's Instant Messaging and then arranged to meet. Marcotte then drove to Massachusetts where he met the boy and brought him back to his apartment in New Hampshire where he molested the boy. Marcotte entered a guilty plea to the charge on February 5, 2007.

After he is released from prison, Marcotte will be required to register as a sex offender in any jurisdiction in which he resides. He will be supervised by the United States Probation Office for the rest of his life.

United States v. Michael Sosnowski

On May 17, Michael Sosnowski, 53, of Bedford, was sentenced to 37 months on one count of possession of child pornography in violation of federal law. Upon his release, Sosnowski will be required to register as a sex offender in any district in which he resides and will be supervised by the United States Probation Office for a period of 5 years.

The investigation of Sosnowski began with the Bedford Police Department. During the course of the investigation, Sosnowski admitted to the Bedford Police Department that he was in possession of images of child pornography. A search warrant was then obtained by the Federal Bureau of Investigation. A review of the defendant's computer and computer discs by the FBI revealed numerous photographs and films of children being sexually assaulted. The defendant entered a plea of guilty to a one count Information on January 22 of this year.

U.S. v. Thomas McNulty

On September 24, 2007, Thomas McNulty, 74, of Hudson appeared in United States District Court and was sentenced to 10 years in prison after pleading guilty to one count of possession of child pornography in violation of federal law.

The investigation began when the Hudson Police Department received information from law enforcement in

PROJECT SAFE CHILDHOOD CASES (cont.)

New York that an individual in that town was exchanging child pornography via the internet. A search warrant was then obtained by the Federal Bureau of Investigation. A review of the defendant's computer by the FBI revealed hundreds of photographs and films of child pornography. Many of the images possessed by McNulty depicted the graphic and violent sexual assault of very young children. The investigation further revealed that the defendant had been involved in sending images of child pornography over the internet. The defendant entered a plea of guilty to a one count Information in May of this year.

Upon his release from prison, McNulty will be supervised by the United States Probation Office for the remainder of his life. He will also will be required to register as a sex offender in any jurisdiction in which he resides.

United States v. Benjamin Guernsey

On September 25, 2007, Benjamin Guernsey, 55, of Lebanon, New Hampshire, was sentenced to 78 months in prison on a possession of child pornography charge. On May 22, 2007, Guernsey pled guilty to possession of child pornography in violation of 18 U.S.C. § 2252A after it was discovered that he had purchased child pornography from a website located in Pennsylvania. The investigation began in 2005 when an undercover officer in Suffolk County, New York received an advertisement to join a child pornography website. Further investigation into the website, hosted by an internet service provider in Scranton, PA., revealed Benjamin Guernsey of Lebanon as a paying member. The Lebanon Police Department obtained a search warrant for Guernsey's residence and seized a computer and several computer discs. With the assistance of Immigration and Customs Enforcement (ICE) and the Internet Crimes against Children (ICAC) Task Force, the computer and computer discs were examined and found to contain numerous photographs and videos of children and toddlers being sexually assaulted.

Upon his release from prison, Guernsey will be supervised by the United States Probation Office for a period of 10 years. Guernsey will also will be required to register as a sex offender in any jurisdiction in which he resides.

U.S. v. Matthew Slater

On July 18, 2007, Matthew Slater, 33, of Ludlow, Vermont, pled guilty to two counts of traveling in interstate commerce with the intent to engage in illegal sexual conduct with a minor in violation of federal law.

The defendant was arrested in March of 2006 when New Hampshire State Police received information that a 15

year old child in Westmoreland, New Hampshire had met Slater on the internet through "My Space" and later met with him in person and engaged in sexual activity. Further investigation by the State Police and the Federal Bureau of Investigation revealed that between December 2006 and March 2007, the minor child had communicated with Slater on line. On two occasions, Slater drove to New Hampshire to meet the child and engage in sex with her.

The defendant has not yet been sentenced. The terms of his plea agreement with the government call for a period of incarceration of 87 months. After serving his term of incarceration, the defendant will be placed on a period of federal supervised release which could be for the remainder of his life.

United States v. Daniel Lenz

On August 30, 2007 Daniel Moses Lenz, 26, of Jacksonville, Florida, was convicted after a three day jury trial of causing the transportation of a minor in interstate commerce for the purpose of engaging in illicit sexual conduct.

In March of this year, law enforcement officials were notified that a 15 year old girl from Windham, NH was discovered missing from her home. Investigation by the FBI and the Windham Police Department revealed that the girl was en route to Florida in the company of another individual. The girl and the individual were found in Manning, South Carolina and the girl was returned home. Subsequent investigation by federal and local authorities identified Daniel Lenz as the individual who orchestrated the transportation of the girl from NH with the intended destination of Lenz' home in Jacksonville, Florida. The investigation revealed that Lenz met the 15 year old online.

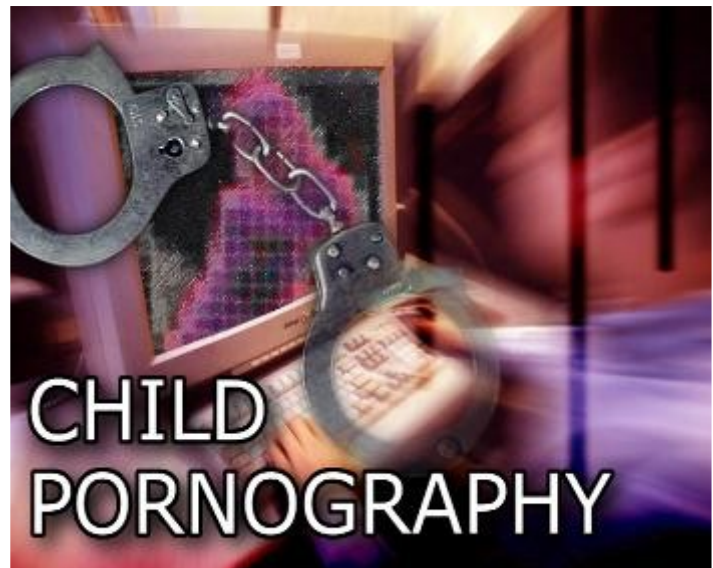
The defendant is scheduled to be sentenced in December, 2007. Lenz faces a statutory minimum sentence of 10 years in prison and a term of supervised release which could be for life. Lenz is detained pending sentencing.



U.S. v. Paul Peters

On September 4, 2007, Paul Peters of Concord pled guilty to one count of possession of child pornography in violation of federal law. Peters was previously convicted of sexually assaulting children and is required to register as a sex offender.

The investigation began with a joint task force coordinated by the New Hampshire Attorney General's Office and the Internet Crimes Against Children (ICAC) Task Force. Undercover investigators were able to track the transmission of child pornography via the internet and the defendant was identified as an individual receiving those images. During the course of the investigation, the defendant was interviewed and admitted that he was in possession of images of child pornography. A search warrant was executed at his residence and a review of the defendant's computer and computer discs revealed hundreds of photographs and films of children being sexually assaulted.



The defendant, who is currently detained, will be sentenced in December, 2007 and faces a minimum sentence of ten years in prison. He will then be placed on a period of federal supervised release which could be for life.

United States v. Eugene Stram

On October 2, 2007, Eugene Stram, 47, of Rindge, appeared in United States District Court and pled guilty to one count of possession of child pornography in violation of federal law.

The investigation began when the Rindge Police Department received a complaint that Stram was providing alcohol to minors. Subsequent investigation led authorities to believe that Stram was collecting child pornography. A search warrant was then obtained by the United States Secret Service who performed a forensic examination of the defendant's computers. That examination revealed hundreds of photographs and films of children and toddlers being sexually assaulted. The defendant was indicted in February of this year and is scheduled to be sentenced in January of 2008. Stram faces up to ten years in prison and a period of supervised release which could be for life.

United States v. Frank Emery

Frank Emery was indicted on May 2, 2007 for traveling in interstate commerce with the intent to engage in criminal sexual activity with a minor child. Emery drove from Massachusetts to Goffstown with the intent to engage in sex with a minor child.

United States v. Charles Moz

Charles Moz was indicted on May 9, 2007 for receiving child pornography through the mail. His arrest was the result of an undercover investigation by the United States Postal Service.

United States v. John Collins

John Collins was indicted on July 11, 2007 for failure to update his registration as a sex offender pursuant to the Sex Offender Registration and Notification Act. Collins was charged as being an individual required to register as a sex offender and, having travelled in interstate commerce, failed to update his registration.

METHAMPHETAMINE TASK FORCE

The New Hampshire Government Leader's Methamphetamine Task Force completed its series of forums around the state by holding an event in North Conway on March 15, 2007 for public officials and concerned citizens from Carroll County. New state legislation increasing penalties for methamphetamine production and trafficking went into effect. The Department of Health and Human Services followed up the public forums by encouraging local anti-drug coalitions to continue to bring the message to our schools and communities that we will not tolerate methamphetamine in our state.



On November 20, 2006 the federal Department of Justice sponsored a nationwide Methamphetamine Awareness Day to highlight the dangers of this drug and to publicize the steps being taken to combat it. This event followed the passage by Congress of the Combat Meth Act of 2006. The Task Force participated in three public events in the seacoast area to raise awareness of our anti-methamphetamine efforts. First, we held a press conference at the Seabrook Police Department to announce the arrest of four alleged methamphetamine dealers and the seizure of almost twelve pounds of crystal methamphetamine, the largest seizure of crystal methamphetamine in New England to date. These defendants are awaiting trial in U.S. District Court. Then we held two additional public forums on college campuses to reach out to college-age students. The first forum was held at the New Hampshire Community Technical College in Stratham. The second forum was held at the University of New Hampshire in Durham. We are cautiously optimistic that the efforts of the Task Force will continue to succeed in protecting the citizens of our state from the ravages of this deadly drug.

The anti-drug website, www.justthinktwice.com gives teens and their parents the straight facts about methamphetamine. For more information about methamphetamine, visit: www.MethResources.gov, www.usdoj.gov/methawareness/ or www.whitehousedrugpolicy.gov. To read the New Hampshire Government Leaders Methamphetamine Task Force Statewide Strategy, go to our website at www.usdoj.gov/usao/nh or the Department of Health and Human Services website, www.dhhs.nh.gov.



John Stephen speaks at the March 15, 2007 Carroll County Methamphetamine Forum held at the Red Jacket Mountain View Resort in North Conway. Seated behind him are U.S. Attorney Colantuono, Attorney General Kelly Ayotte and Carroll County Attorney Robin Gordon

OPERATION CHECKMATE

In the wake of the 9/11 terrorist attacks, innovative approaches to the interdiction of terrorism have been employed nationwide. One New Hampshire-based response is Operation Checkmate, initiated with the State Department as a program to investigate and prosecute a high volume of passport fraud cases. Maintaining the integrity of the U.S. Passport is essential to the State Department's efforts to protect U.S. citizens from terrorists and imposters. A large percentage of the country's passport applications are processed here in New Hampshire at the National Passport Center in Portsmouth, making our U.S. District Court the proper venue for a large number of passport fraud cases having no other connection with New Hampshire.



Operation Checkmate is a joint initiative of the U.S. Attorney's Office, the U.S. Department of State Bureau of Diplomatic Security, the Department of Homeland Security, the Bureau of Customs and Immigration Enforcement (ICE) and the Social Security Administration Office of Inspector General. Each year since its inception, Operation Checkmate has more effectively pursued the goal of targeting passport fraud, thereby reducing identity theft while helping secure the nation's borders.

In this past year, a new aspect of Operation Checkmate has involved comparing death certificates to the records of active U.S. passports. A number of successful felony prosecutions of defendants impersonating deceased individuals and obtaining passports in the identities of the deceased, have resulted.

The State Department faces a number of challenges in passport fraud detection, including identifying, tracking and locating imposters, aliens and others who falsify passport applications in order to obtain the benefits that a U.S. passport affords. The U.S. passport is considered the "gold standard" among travel documents because it enjoys wide acceptance around the world, and establishes conclusive proof of U.S. citizenship.

Operation Checkmate is coordinated, and its cases prosecuted, by Assistant U.S. Attorney Alfred Rubega.

OPERATION CHECKMATE CASES

Javier Mezta Borquez, of Holland, Michigan, on December 21, 2006, was sentenced to thirty four months in federal prison following his conviction on a three-count information for identity theft crimes and illegal reentry after deportation. Borquez pled guilty to the charges on September 5, 2006. Borquez, 36, pled guilty to an information that charged him, in the first count, with making false statements in an attempt to fraudulently obtain a United States Passport from

the National Passport Center in Portsmouth, New Hampshire, on or about August 10, 2005. The second count charged Borquez with aggravated identity theft for using the identity information of another person in the course of that fraud.

Roger Schillewaert, 62, of Julian, California, was sentenced on February 9, 2007, to six months in federal prison following his conviction on a one-count

OPERATION CHECKMATE CASES (cont.)

indictment charging him with making false statements to the State Department in a passport application in order to fraudulently obtain a United States passport.

Schillewaert, was indicted in U.S. District Court in July of 2006, after agents of the U.S. State Department's Diplomatic Security Service uncovered the fraud at the National Passport Center in Portsmouth, New Hampshire. **Schillewaert**, a citizen of Belgium, pled guilty to willfully and knowingly making false statements to the State Department in a passport application in order to fraudulently obtain a United States passport. As part of the guilty plea, **Schillewaert**, admitted to adopting and using in the passport application the identity of an individual who died in California as a child.

Sandra Da Silva Reis, 25, of Hampton, NH, pled guilty on April 2, 2007, to one count of passport fraud. **Da Silva Reis** was indicted in U.S. District Court in January of 2007, after agents of the U.S. State Department's Diplomatic Security Service uncovered the fraud at the National Passport Center in Portsmouth, New Hampshire. **Da Silva Reis**, a citizen of Brazil, pled guilty to willfully and knowingly making false statements to the State Department in a passport application in order to fraudulently obtain a United States passport. In September of 2006, **Da Silva Reis** submitted an application in which she claimed that she was born in Puerto Rico.

Jeferson Junior Silveira, 21, of Hampton, NH, pled guilty on April 2, 2007 to one count of passport fraud. Silveira was indicted in U.S. District Court in January of 2007, after agents of the U.S. State Department's Diplomatic Security Service uncovered the fraud at the National Passport Center in Portsmouth, New Hampshire. **Silveira**, a citizen of Brazil, pled guilty to willfully and knowingly making false statements to the U.S. State Department in a passport application in order to fraudulently obtain a passport. In August of 2006, **Silveira** submitted an application in which he claimed that he was born in Puerto Rico.

Chi Fong Chen, 46, of Atherton, California, was sentenced on April 13, 2007, to one year of probation and fined \$500, after pleading guilty on October 31, 2006, to a charge of making false statements to the State Department in a passport application for a United States passport. **Chen** was indicted in U.S. District Court in July of 2006, after agents of the U.S. State Department's Diplomatic Security Service uncovered the fraud at the National Passport Center in Portsmouth, New Hampshire. **Chen**, a citizen of Brunei, admitted as part

of her guilty plea, to adopting and using in the passport application the identity of an individual who died in California as a child.

Jaime Silveira, 28, of Hampton, NH, pled guilty on April 19, 2007, to one count of passport fraud. Silveira was indicted in U.S. District Court in January of 2007, after agents of the U.S. State Department's Diplomatic Security Service uncovered the fraud at the National Passport Center in Portsmouth, New Hampshire. **Silveira**, a citizen of Brazil, pled guilty to willfully and knowingly making false statements to the State Department in a passport application in order to fraudulently obtain a United States passport. In August of 2006, **Silveira** submitted an application in which he claimed that he was born in Puerto Rico.

Sergio Souza Campos, 40, from Hampton, NH, pled guilty on April 19, 2007 to one count of making a false claim of United States citizenship. **Campos** was indicted in U.S. District Court in January of 2007. **Campos**, a citizen of Brazil and pled guilty to willfully and knowingly making a false claim of United States citizenship, for the purpose of obtaining a State of New Hampshire non-drivers identification card. In September of 2006, **Campos** submitted an application for the identification card, in which he claimed that he was born in Puerto Rico.

Lolita Dungca, 46, of Atherton, California, was sentenced on May 14, 2007, to one year of probation, after pleading guilty to a charge of making false statements to the State Department in a passport application for a U.S. Passport. **Dungca**, a citizen of the Philippines, admitted as part of her guilty plea, that she falsely claimed to be a U.S. Citizen.

Joseph Harry Amegah, 45, of Grafton, Massachusetts, was sentenced on May 15, 2007, to six months of home confinement and two years of probation, after he pled guilty on February 6, 2007, to committing the offense of passport fraud. **Amegah**, a citizen of the Republic of Ghana, pled guilty to willfully and knowingly making false statements to the State Department in a passport application in order to fraudulently obtain a U.S. Passport. In November of 2004, **Amegah** submitted an application in which he claimed that he was born in Southbridge, Massachusetts.

Claudia Henry, 38, of Trinidad and Tobago, was arraigned in U.S. District Court in Concord May 31, 2007, on a one-count indictment for falsely claiming her name was Tricia Ann Chase, and that she was born in

Manhattan.

Haibaran Resaul, of New York city, was arraigned in U.S. District Court in Concord on July 9, 2007, on a one-count indictment for making false statements in an attempt to obtain a U.S. Passport. The indictment charges that **Resaul**, who is a citizen of Guyana, falsely claimed that he was born in New Jersey in an application for a U.S. Passport submitted for adjudication to the National Passport Center in Portsmouth, New Hampshire.

Lester Castillo, 40, of New York City, was sentenced on July 11, 2007, to twenty-one months of imprisonment, after pleading guilty on April 17, 2007, to one count of making a false statement in a passport application. **Castillo**, a citizen of the Dominican Republic, pled guilty to obtaining a passport which had been reported stolen from another person, and then, assuming that person's identity, applying for a new passport.

Peter Thomas, 45, of Miami, Florida, pled guilty in U.S. District Court in Concord on July 24, 2007 to a one-count indictment for making false statements in an application for a U.S. Passport. **Thomas** was indicted by a federal Grand Jury on February 21, 2007, after agents of the U.S. State Department's Diplomatic Security Service uncovered the fraud at the National Passport Center in Portsmouth, New Hampshire. **Thomas**, a citizen of Jamaica, pled guilty to submitting an application, in March of 2002, in which he claimed that he was born in New York.

Jose Dolore Herrera Medina, 54, of Lawrence, Massachusetts, was sentenced on July 24, 2007, to time already served since February 27, 2007. He pled guilty on June 4, 2007, to making false statements to the State Department in a passport application in order to fraudulently obtain a U.S. Passport. In August of 2006, **Herrera Medina**, a citizen of the Dominican Republic, submitted an application in which he falsely claimed that he was born in Puerto Rico.

Fernando Gonzalez-Gonzalez, of Imperial Beach, California, pled guilty in U.S. District Court in Concord on July 26, 2007, to a one-count indictment for making false statements in an application for a U.S. Passport. **Gonzalez-Gonzalez** was indicted by a federal Grand Jury on April 18, 2007, after agents of the U.S. State Department's Diplomatic Security Service uncovered the fraud at the National Passport Center in Portsmouth, New Hampshire. **Gonzalez-**

Gonzalez, a citizen of Mexico, pled guilty to submitting an application in February of 2005, in which he falsely stated his name and date of birth.

Jose Delgadillo-Torres, of Las Vegas, Nevada, pled guilty in U.S. District Court in Concord on July 26,

2007 to a one-count indictment for making false statements in an application for a U.S. Passport. Delgadillo-Torres was indicted by a federal Grand Jury on April 18, 2007, after agents of the U.S. State Department's Diplomatic Security Service uncovered the fraud at the National Passport Center in Portsmouth, New Hampshire. **Delgadillo-Torres**, a citizen of Mexico, pled guilty to submitting, in May of 2006, an application in which he falsely stated his name and date of birth.

Gideon Kweku Ansong, 45, of Grafton, Massachusetts, was arraigned in U.S. District Court in Concord on August 1, 2007, on a one-count indictment for making false statements in an attempt to obtain a U.S. Passport. The indictment charges that **Ansong**, who is a citizen of Ghana, falsely stated his date and place of birth in an application for a U.S. Passport submitted for adjudication to the National Passport Center in Portsmouth, New Hampshire.

Robert Citroen of Palm Desert, California was arrested by U.S. Department of State Diplomatic Security Service special agents on August 5, 2007, for alleged passport fraud. Special agents from Diplomatic Security's Los Angeles, Phoenix, San Francisco, and Portsmouth, New Hampshire offices conducted the investigation against **Citroen** who is an attorney licensed to practice law in California. The FBI's Sacramento Field Office also assisted in this investigation. An indictment filed in U.S. District Court in Concord, New Hampshire alleges that Citroen fraudulently obtained multiple U.S. passports and attempted to renew one using the identity of Noah Lee Richardson, a person who died as a child in Ventura County, California in 1948. Citroen appeared before a U.S. Magistrate Judge in Los Angeles, California on August 6, 2007 and was released



OPERATION CHECKMATE CASES (cont.)

pending his trial. Citroen will be required to appear in New Hampshire to answer the charges, and the date of the next hearing has not yet been set

Dolores Lord, of Brooklyn, New York, was arraigned in U.S. District Court in Concord on August 20, 2007, on a one-count indictment for making false statements in an attempt to obtain a U.S. Passport. The indictment charges that **Lord**, who is a citizen of Trinidad, falsely claimed, in an application for a U.S. Passport submitted for adjudication to the National Passport Center in Portsmouth, New Hampshire, that she was born in Rochester, New York.

Adao DeSousa Oliveira, 37, of Boston, Massachusetts, pled guilty in U.S. District Court in Concord on August 20, 2007 to a one-count information for making false statements in an application for a U.S. Passport. **Oliveira** was charged in a federal criminal complaint on June 28, 2007, after agents of the U.S. State Department's Diplomatic Security Service uncovered the fraud at the National Passport Center in Portsmouth, New Hampshire. **Oliveira**, a citizen of Brazil, pled guilty to submitting, in May of 2006, an application in which he misrepresented his name and claimed falsely that he was a U.S. citizen.

A **Lawrence, Massachusetts man** whose actual identity was earlier unknown, but who had been using the name and social security number of another man who had died in 1997, pled guilty in U.S. District Court in Concord on August 27, 2007 to two counts of an indictment charging him with falsely claiming a Social Security Number as his own, punishable by a maximum of 5 years in prison or a \$250,000.00 fine or both. The defendant was indicted by a federal Grand Jury on May 9, 2007 after an investigation by agents of the Social Security Administration, Office of Inspector General, and the Department of Homeland Security, Bureau of Immigration and Customs Enforcement. The defendant, a citizen of the Dominican Republic, who admitted as part of the plea that his true name is **Luis Miguel Melo**, pled guilty to falsely claiming on two separate occasions, that a certain Social Security Number was his own.

Freddie Adjei Asinor, 50, of Baltimore, Maryland, pled guilty in U.S. District Court in Concord on September 28, 2007 to a one-count information for making false statements in an application for a U.S.

Passport. **Asinor** was indicted by a federal Grand Jury on August 1, 2007, after agents of the U.S. State Department's Diplomatic Security Service uncovered the fraud at the National Passport Center in Portsmouth, New Hampshire. **Asinor**, a citizen of Ghana, pled guilty to submitting, in February of 2004, an application in which he misrepresented his date and place of birth and claimed falsely that he was a U.S. citizen.



NATIONAL PASSPORT CENTER
PORTSMOUTH, NEW HAMPSHIRE

CRIMINAL AND CIVIL DIVISION PARTNERSHIP

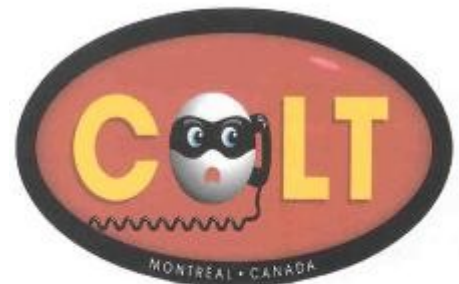
“Project Coobidoo”

On November 16, 2006, U.S. Attorney Colantuono presented Operation Coobidoo to the Ninth Annual U.S./Canada Cross-Border Crime Forum at the Biltmore Hotel in Asheville, North Carolina. The principal attendees included Attorney General Alberto Gonzalez, Secretary of Department of Homeland Security Michael Chertoff, the Honourable Stockwell Day, Canadian Minister of Public Safety, the Honourable Victor Toews, Canadian Minister of Justice, and other U.S. and Canadian Law Enforcement Officials.



THE BILTMORE ESTATES, ASHEVILLE, NORTH CAROLINA

In June 2002, the Royal Canadian Mounted Police, the Federal Bureau of Investigation, the Sûreté du Québec, Canada Postal Inspectors, U.S. Postal Inspectors, the Montreal Police and the United States Customs Service, working jointly to combat telemarketing fraud through an effort known as Project Colt, brought an investigation to the United States Attorney's Office for the District of New Hampshire. The investigation revealed that a group of Canadians based in Montreal, with connections to Vancouver, British Columbia, had devised a scheme to defraud that targeted elderly widows and widowers. The investigation also revealed that the participants in the scheme had collected more than \$6 million from more than 80 victims of the fraud.



PROJECT : COOBIDOO

OPERATION COOBIDOO (cont.)

On October 2, 2002, a grand jury for the District of New Hampshire indicted 15 Canadian citizens in connection with the telemarketing fraud. The indictment charged the defendants with violating the federal racketeering statute, often referred to as the RICO statute. The defendants were also charged with engaging in a conspiracy to commit RICO, engaging in a conspiracy to commit mail fraud and engaging in a conspiracy to commit wire fraud.

In a coordinated effort between the Criminal and Civil Divisions, the U.S. Attorney's Office immediately followed the indictment with a parallel civil forfeiture action filed on October 18, 2002. Through that action, the United States seized \$4.5 million from accounts of several Middle-Eastern banks as proceeds of the telemarketing fraud. In doing so, the United States used the newly-enacted forfeiture provisions of the USA PATRIOT Act, 18 U.S.C. §981(k), which provided new tools to reach forfeitable funds deposited overseas in foreign banks. Until the enactment of section 981(k), a major loophole existed in U.S. forfeiture law, which criminals often exploited to protect their ill-gotten gains by depositing them overseas.

In the civil forfeiture action, the United States District Court initially awarded the United States \$1,555,471.41 in forfeitures. The United States Attorney's Office sought and received permission from the Department of Justice to use those funds for restitution to the victims. The funds were then transferred to the United States District Court for distribution. The Criminal and Civil Divisions of the U.S. Attorney's Office and the Office of the Clerk of Courts worked together to send that restitution to the victims in the Fall of 2005.

On October 24, 2005, the United States District Court entered a final judgment, awarding the United States \$2.53 million in additional forfeitures. In a precedent-setting decision construing the meaning and application of section 981(k), the United States Court of Appeals for the First Circuit largely affirmed the district court's award on May 18, 2007, but expanded the scope of the statute as had been argued by the United States. Those additional funds also were provided to the victims as part of their restitution in November, 2007. As a result of the close coordination between the Criminal and Civil Divisions of the U.S. Attorney's Office, the elderly victims have received back approximately 55 percent of the funds they lost in the scheme.

As of the end of the 2007 fiscal year, most of the defendants have been sentenced. Two of the lead defendants each received sentences of ten years. Other defendants received sentences ranging from seven years to one year. Four defendants have cases that remain unresolved and two defendants are fugitives. Congratulations to AUSA Don Feith who handled the criminal case and Civil Chief Gretchen Witt and former AUSA Jean Weld who handled the civil case.





Responses from victims who received restitution checks in the mail

"Receiving this check has made my Christmas a little brighter! Best Holidays to all!"

*E.M.
Arizona*

"On behalf of my sister, who is now in a nursing home, I would like to thank you all for the hard work you have done. This loss was so devastating to my sister—if she could understand, I'm sure she would be so happy to know that she got some of the money back."

*R.G.
Wisconsin*

"I received the check and was very, very happy My birthday was on November 10th—85 years old!! This was a very nice birthday present. I wish you all Happy Holidays.....

..... everyone there has been so wonderful and meeting you all and the others involved in the fraud was a very positive experience."

*J.M.
New Hampshire*

"My mother is in a nursing home now and doing well. I will be surprising her with the check and am very excited about being able to do that! She will be so happy—she never expected to get any of her money back and I am thrilled for her!"

*R.K.
Virginia*

"If you are ever in Mississippi I expect a visit! My door is always open to you. Coming up to New Hampshire to meet all of you was such a positive experience—I'll never forget it! Happy Holidays to you all!"

*E.G.
Mississippi*

"Can't thank you enough for all your hard work in making this happen! Happy Holidays!

*L.S.
Washington*

CRIMINAL DIVISION

The United States Attorney is the chief federal law enforcement official within his or her district. Although some larger states have more than one federal district within their borders, the District of New Hampshire is defined by the boundaries of the State of New Hampshire. Thus, the United States Attorney is charged with prosecuting federal crimes that occur, in whole or in part, anywhere in the State of New Hampshire.

Looking back to 2007, the Criminal Division of the United States Attorney's Office had 16 full time Assistant United States Attorneys assigned to prosecute criminal cases. The Division also had a Special Assistant U.S. Attorney assigned to the HIDTA initiative. First Assistant U.S. Attorney Joe Laplante also handled criminal cases and oversaw all investigations and prosecutions by the Organized Crime Drug Enforcement Task Force (OCDETF). A Victim Witness Specialist, Automated Litigation Support Coordinator, an investigator, 4 paralegals and 7 legal assistants supported the attorneys in the prosecution of criminal cases.



Robert M. Kinsella
Chief, Criminal Division

During fiscal year 2007, the Criminal Division was led by Criminal Chief Don Feith and beginning in March 2007, Robert Kinsella. Also in March, Robert Veiga became the Deputy Chief of the Criminal Division. AUSAs Kinsella and Veiga carry full case loads in addition to managing the Division. The Division is organized into three sections—a Violent Crime Section, a White Collar Crime Section and an Appellate Unit. Attorneys assigned to each section specialize in the work of the section, but also handle cases in other subject areas. By mixing the case load of the attorneys assigned to each section, the Criminal Division has developed a staff of senior attorneys who have expertise in a broad array of criminal prosecutions and are comfortable prosecuting any violation of the federal criminal law.

The Criminal Division prosecuted 229 cases in fiscal year 2007. Since 2001, the workload of the Criminal Division has increased dramatically. In FY 2000 the Division filed 148 indictments or informations. In FY 2004 and FY 2005, the Division filed 248 indictments or informations, an increase of 80% from FY 2000.



The Organized Crime and Drug Enforcement Task Force (OCDETF) program, initiated by President Ronald Reagan in 1982, combines the resources of various agencies within the Department of Justice (U.S. Attorney's Office, DEA, FBI, ATF, the U.S. Marshals Service) the Department of Homeland Security (ICE, the U.S. Coast Guard), and the Treasury Department (IRS Criminal Investigation Division), and divides them into several Regional Task Forces in order to combat the largest national and international drug trafficking and money laundering organizations and to significantly reduce the illicit drug supply in the United States.

In New Hampshire, several state and local agencies, such as the N.H. State Police Narcotics Investigation Unit, the N.H. Attorney General's Drug Task Force, and the Manchester, Nashua, Portsmouth and Somersworth Police Departments also routinely participate in OCDEF investigations.

The District of New Hampshire is part of New England OCDETF, and has three prosecutors assigned to OCDETF work. Until his confirmation to the U.S. District Court, First Assistant U.S. Attorney Joe Laplante served as New Hampshire's Lead OCDETF Attorney, handling a full OCDETF caseload and administering the program in the District.

Operation Spring Place - United States v. Christopher Bouchard, et al. “Operation Spring Place” dismantled the Christopher **Bouchard** cocaine and marijuana distribution and money laundering organization. An OCEETF-funded wiretap was run jointly by the N.H. State Police, the Bureau of Immigration and Customs Enforcement (ICE), the IRS Criminal Investigation Division, DEA, the Manchester Police Department, and the Southern NH HIDTA Task Force.



Christopher **Bouchard**, 35, formerly of 1497 Union Street, Manchester, New Hampshire, one of the primary targets of this wide-ranging drug trafficking and money laundering investigation, entered guilty pleas to federal money laundering charges, as well as state charges including being a Drug Enterprise Leader, conspiracy to distribute cocaine, and two conspiracies to distribute marijuana during the period of January 1, 2000 to June 1, 2005. During that time period, **Bouchard** directed the transportation and shipment of cocaine and marijuana from Arizona to Manchester, NH. Once the drugs were delivered to the city, **Bouchard** oversaw the storage and distribution of the drugs in New Hampshire. The drug enterprise involved the distribution of thousands of pounds of marijuana and multiple kilograms of cocaine. ICE, DEA and NH State Police continue to make cases based on information gathered during the investigation involving cocaine targets in California, Texas, New York State, Massachusetts, Illinois, and New Hampshire.

Approximately 25 individuals have been indicted or convicted in state and federal courts of trafficking, money laundering, and weapons charges, including Manchester, NH financial professionals (a mortgage broker and a CPA) involved in laundering **Bouchard**'s drug proceeds.

The enterprise led by **Bouchard** was unique by New Hampshire standards with respect to its duration of the operation, its connection to Arizona and Mexico, and the quantity of drugs involved. In addition, **Bouchard** employed a

Violent Crime Section—OCDETF (cont.)

sophisticated scheme of acquiring legitimate businesses and co-mingling the profits from his drug business into these businesses, making the illegal activity particularly difficult to detect.

Bouchard and others in the case have also forfeited assets, including but not limited to the following:

- several Manchester, NH residences owned by traffickers, money launderers, the CPA;
- proceeds of vacation and residential condominiums located in New Hampshire's "Lakes Region";
- Peterborough, NH real estate forfeited by the money-laundering mortgage broker;
- a 2001 Chevrolet Silverado Pickup Truck, a 2004 GMC Pickup Truck, a 2004 Mercedes Benz E-55, and a Carma Trailer.

In addition, **Bouchard** agreed to the entry of a money judgment forfeiture in the federal court in the amount of \$1,300,000.

Operation ERAD - United States v. Nguyen et al.

This ongoing prosecution targeted a well organized criminal cell in which individuals from Massachusetts of Vietnamese descent purchased residences in New Hampshire for the sole purpose of housing large scale indoor marijuana cultivation operations. The operation was uncovered in October, 2006, when an electrical fire caused damage to a residence located in Hooksett, NH. During a subsequent search of the residence, a sophisticated 800+ plant indoor marijuana grow operation was discovered in the basement. In November, 2006, as a result of a blown electrical transformer, a second, and identical, indoor grow operation was discovered in the basement of a residence located in Epsom, NH, where approximately 1,400 plants were seized. During October and November, 2006, numerous residences in New Hampshire suspected of housing similar grow operations were

identified.

In December, 2006, as part of a coordinated effort between NH DEA, NH State Police, NH United States Attorney's Office, NH Attorney General's Office, and numerous local law enforcement agencies, search warrants were executed at 11 residences suspected of housing similar marijuana grow operations throughout southern and central New Hampshire. Of the 11, nine residences contained extensive indoor marijuana grows in the basements, each one identical to the next. The total plant count was approximately 10,318. In the residences in which no active indoor grows were discovered, evidence of past grows was evident. Additionally, the garage of one residence contained what is believed to be the remains of a dismantled grow operation from another suspect residence.

The majority of the target residences, purchased within the last 18 months, were purchased with almost 100% financing, and all carried a purchase price in excess of \$350,000. An investigation into a suspected mortgage fraud scheme is ongoing. To date, ten individuals have been indicted for conspiracy to distribute marijuana, four have pleaded guilty and of those, three have been sentenced. This investigation is ongoing.

Operation Pill Pusher – United States v. Randy Noe et al.

This lengthy investigation and prosecution, which completely dismantled the Randy **Noe** oxycodone trafficking organization, charging 20+ individuals from New Hampshire, Massachusetts, Florida, and Nevada with conspiracy to distribute controlled substances (oxycodone) and conspiracy to commit money laundering, was wrapped up in 2007. Lead defendant Randall **Noe**, of Belmont, NH, who had unlawfully obtained hundreds of oxycodone tablets each week for several years, and distributed them to lower level oxycodone distributors in New England, was sentenced to 144 months in federal prison. Fellow suppliers

and money launderers Victor **Mendes** and Leonard **Anderson** of Florida were also sentenced.

Noe utilized several methods of unlawfully obtaining the oxycodone, including organizing Boston, Massachusetts-to-West Palm Beach, Florida “shuttles” for oxycodone couriers who would periodically fly to Florida together, visit the same physician to obtain large oxycodone prescriptions, and then fill the prescriptions and turn the tablets over to **Noe** for distribution and resale to lower-level traffickers. **Noe** also utilized private parcel couriers to exchange large quantities of cash, in amounts ranging from \$4,000 to \$78,000, for 500-plus tablet quantities of oxycodone supplied by alleged co-conspirator Victor **Mendes**, of Margate, Florida. **Noe** and his co-conspirators expended vast sums of cash and laundered their allegedly ill-gotten funds by gambling at Las Vegas casinos and at the former Lakes Region Greyhound Park, where **Noe** engaged in drug transactions with an undercover DEA Task Force agent.

The prosecution was the result of a two-year investigation conducted by the DEA, IRS, the U.S. Attorney’s Office, and the Department of Justice’s Organized Crime and Racketeering Section in Washington, D.C. During the investigation, which included a court-authorized wiretap of two cell phones utilized by **Noe** to oversee the alleged conspiracy, DEA agents made undercover drug purchases from four individuals and executed search warrants and civil seizure warrants in New Hampshire, Massachusetts, Nevada, and Florida, seizing over 500 oxycodone tablets and thousands of dollars in cash. The Asset Forfeiture Section of the U.S. Attorney’s Office initiated forfeiture proceedings against **Noe**’s Belmont, New Hampshire, residence, and seized vehicles and jewelry valued at over \$50,000.

Operation Rogue Smasher – United States v. Carey Hamilton, et al. This investigation, initiated in 2004, by the DEA’s Lowell, Massachusetts-based Cross Border Initiative (CBI) focused on Carey **Hamilton**, a Methuen, MA-based bookmaker and ecstasy trafficker. During the course of the investigation, **Hamilton** (who will be sentenced in 2008) and several of his criminal associates were prosecuted and convicted, including:

Eric Furtado, a large-scale marijuana trafficker who resided in Haverhill, Massachusetts. Furtado utilized individuals to distribute marijuana in Massachusetts and Southern, New Hampshire. **Furtado** pled guilty to engaging in a conspiracy to distribute marijuana and was sentenced to a 9 year term of imprisonment.

Matthew Spellissy, a large-scale Oxycontin and cocaine distributor residing in Dracut, Massachusetts. **Spellissy** utilized individuals to distribute Oxycontin and cocaine in Pelham and Salem, New Hampshire. **Spellissy** pled guilty to engaging in a conspiracy to distribute Oxycontin and was sentenced to a 7 year term of imprisonment.

Darryll Valcourt, a significant Haverhill, Massachusetts-based Oxycontin distributor, who pled guilty to engaging in a conspiracy to distribute Oxycontin and was sentenced to a 6 ½ year term of imprisonment.

David Ellis, a large-scale marijuana distributor residing in Wilmington, Massachusetts, distributed marijuana in Massachusetts and Southern New Hampshire, pled guilty to engaging in a conspiracy to distribute marijuana and sentenced to a 11 ½ year term of imprisonment.

Douglas Tierney, a large-scale marijuana distributor whose source of supply was David Ellis. **Tierney** pled guilty to engaging in a conspiracy to distribute marijuana and was sentenced to a 9 year term of imprisonment.



Violent Crime Section—OCDETF (cont.)

UNITED STATES v. YASY SONEOU

Yasy **Soneou** of Berwick, Maine pled guilty on April 19, 2007, to conspiracy to distribute ecstasy. The investigation conducted by the Drug Enforcement Administration with the assistance of numerous police departments in New Hampshire, Massachusetts, and Maine, revealed ecstasy trafficking in and around New Hampshire, Maine, and Massachusetts. A search of **Soneou**'s residence on the day of his arrest uncovered hundreds of ecstasy pills.

UNITED STATES v. ALEXANDER LOSSING

Alexander **Lossing** pled guilty on May 16, 2007 to using a communications facility in the commission of a conspiracy to distribute ecstasy. In July, 2005, **Lossing** had a telephone conversation with another man to arrange to purchase a quantity of ecstasy pills that **Lossing** intended to distribute. The case was investigated by the Drug Enforcement Administration with the assistance of numerous police departments in New Hampshire, Massachusetts, and Maine.



UNITED STATES v. KEVIN BLANCHARD - “OPERATION OFF-BALANCE”

Kevin **Blanchard** was sentenced on May 3, 2007 to 46 months in prison, 3 years supervised release and 50 hours of community service. Blanchard pled guilty on January 31, 2007 to 3 counts of distributing Oxycontin.

UNITED STATES v. ANTONIO ORTIZ “OPERATION OFF-BALANCE”

Antonio **Ortiz** was sentenced on May 22, 2007 to 37 months in prison and 3 years supervised release for conspiracy and distribution of cocaine. Ortiz pled guilty to the charges on February 5, 2007, after an undercover investigation netted up to a kilogram of cocaine purchases.

UNITED STATES v. KEORSYI PHENGDARA

Keorsyi **Phengdara** was sentenced on September 26, 2007 to 24 months in prison and 3 years supervised release. **Phengdara** pled guilty on May 17, 2007 to conspiracy to distribute more than 500 grams of cocaine. On twelve separate occasions from January 2005 to August 2005, **Phengdara** sold more than 500 grams of cocaine to a confidential informant and an undercover Special Agent for the DEA.

UNITED STATES v. OSCAR AVINA

Oscar **Avina** was sentenced on April 17, 2007 to 5 years in prison and 3 years supervised release for misprision of felony. On October 19, 2006, **Avina** entered a guilty plea to a charge of misprision of a felony for his involvement as a broker in a 300-pound marijuana transaction involving convicted Manchester drug trafficker and money launderer Christopher **Bouchard** in the winter of 2004.

Violent Crime Section—DRUGS

UNITED STATES v. SHEA BEAUMONT

Shea **Beaumont** was indicted for selling drug paraphernalia, and conspiracy to commit money laundering from approximately January 2004 to June 2006. **Beaumont** and a co-conspirator engaged in a number of financial transactions to conceal profits that were derived from the sale of the drug paraphernalia. Searches were conducted at 817 Elm Street in Manchester, 449 Amherst Street in Nashua and 450 South Broadway in Salem, properties that **Beaumont** used to commit the offenses.



UNITED STATES v. CLEVELAND FACEY

Cleveland **Facey**, aka Terrence Darce was sentenced on May 22, 2007 to 57 months in prison and 3 years supervised release. **Facey** pled guilty on February 21, 2007 to possession of a firearm by an illegal alien, distribution of crack cocaine, possession with intent to distribute crack cocaine and possession of crack. The New Hampshire Drug Task Force and the Dover Police Department made undercover purchases of crack cocaine from the defendant and executed a search warrant of his car, discovering ten bags of crack. The defendant is an illegal alien from Jamaica and prohibited from possessing a firearm.

UNITED STATES v. DOUGLAS FISCHER

Douglas **Fisher** was sentenced on February 20, 2007 to a sentence of 13 months and two days and 3 years supervised release. The defendant pled guilty on July 26, 2006. to possession with intent to distribute cocaine and possession of a firearm while a drug user. Laconia Police and FBI agents arrested **Fisher** and Starr Parrish on January 19, 2006 as they drove a stolen car out of the parking lot of a Laconia hotel. A search netted cocaine and a semi-automatic handgun.

UNITED STATES v. TEDDY IP

Teddy Kwok Keung **Ip**, pled guilty on April 12, 2007 to conspiring to possess with intent to distribute marijuana. The defendant was arrested by Massachusetts State Police after he drove a van containing over 60 kilograms of marijuana from New Hampshire into Massachusetts. Massachusetts State Police had been alerted by New Hampshire State Police to be on the lookout for the van after a Canadian tractor trailer was found in New Hampshire which had been used to smuggle marijuana across the border from Canada and from which a concerned citizen had seen the marijuana off loaded into the van.

UNITED STATES v. THOMAS KOLLAR

Thomas **Kollar** was sentenced on February 20, 2007 to 51 months imprisonment and 3 years supervised release for possession with intent to distribute and manufacturing cocaine and crack. The defendant pled guilty on March 22, 2006.

Violent Crime Section—DRUGS (cont.)

UNITED STATES v. ARTHUR LABSHERE

Arthur **Labshere** was sentenced on March 19, 2007 to 21 months in prison and 2 years supervised release after admitting he used marijuana while on supervised release. The evidence at the revocation hearing established that **Labshere** used marijuana within several days of being placed on supervised release.

UNITED STATES v. JASON MCDERMOTT

Jason **McDermott** was sentenced on March 5, 2007 to 41 months in prison and 3 years supervised release for possession with intent to distribute cocaine and crack cocaine and unlawful possession of a firearm by a drug user. The defendant pled guilty in September 27, 2006.

UNITED STATES v. JONATHAN PLATTE

Jonathan **Platte** was convicted on March 23, 2007 after a three day jury trial, of conspiracy to distribute cocaine, crack, and heroin, possession with the intent to distribute cocaine and heroin, possession of a firearm in furtherance of a drug trafficking crime, and possession of a firearm by a convicted felon. The defendant operated an extensive cocaine, crack cocaine and heroin distribution operation from his residence in Greenville, New Hampshire and would travel several times each week with large sums of currency from his residence to Fitchburg, Massachusetts in order to obtain multiple ounce quantities of cocaine, crack cocaine and heroin. He would then transport the narcotics back to his residence where they would be re-packaged and sold in the Wilton, New Ipswich, Greenville and Milford areas. On April 14, 2005, the New Hampshire State Police executed a search warrant at his residence and seized two ounces of cocaine, ten grams of heroin, approximately \$16,000 in cash, drug ledgers and five scales.

UNITED STATES v. LESLY SANDERS

Lesly **Sanders** was sentenced on February 9, 2007 to 14 years in prison and 4 years supervised release for distribution of crack cocaine. The defendant pled on June 21, 2006. The Claremont Police

Department received information that an individual known as “Magic” was traveling from Massachusetts to Claremont for the purpose of selling crack cocaine. “Magic,” who was later identified as Lesly **Sanders**, sold over 26 grams of crack cocaine to an undercover police officer in Claremont in April of 2005.



UNITED STATES v. CHAMBER VAN TRAN

Chamber Van **Tran** pled guilty on March 13, 2007 to conspiring to possess with the intent to distribute in excess of 1,000 marijuana plants. **Tran** was charged after the discovery of marijuana plants in a residence at 35 Woodcote Road, Epsom, New Hampshire.

UNITED STATES v. LEONARD WARREN

Leonard **Warren** was sentenced on March 15, 2007 to 6 months in prison and 1 year supervised release for possession of crack. **Warren** was stopped during the early morning hours of May 25, 2006 by a Somersworth Police Department patrolman who was investigating suspicious activity. He was placed under arrest after admitting to being in possession of marijuana. A bag of marijuana was found tucked into **Warren**'s pants.

UNITED STATES v. RAFAEL DELACRUZ

Rafael **Delacruz**, Jr., was indicted on, April 3, 2007 for distribution of crack and possession of crack with intent to distribute. The undercover investigation was conducted by the Salem Police Department and the Drug Enforcement Administration.

UNITED STATES v. MICHAEL GUINIER

Michael **Guinier** was indicted on April 18, 2007, in connection with crack cocaine distribution in the New Hampshire seacoast area. The nine count indictment charged him with conspiracy to distribute crack, possession with intent to distribute crack in excess of five grams, possession of a firearm and ammunition by a prohibited person and possession of a firearm in furtherance of a drug trafficking offense. The case was investigated by the Drug Enforcement Administration, the Hampton Police Department, Seabrook Police Department, Portsmouth Police Department and the New Hampshire Attorney General's Drug Task Force.



UNITED STATES v. ROBERT PHANEUF

Robert **Phaneuf** was sentenced on May 22, 2007 to 8 months in prison and 3 years supervised release for conspiracy to distribute cocaine and distribution of cocaine. On February 21, 2007, **Phaneuf** pled guilty to the charge which arose after he sold cocaine to an undercover detective on six separate occasions. Each of these sales occurred at **Phaneuf**'s residence in Manchester and involved about 3.5 grams of cocaine.

UNITED STATES v. CARLOS SOTO GARCIA

Carlos **Soto Garcia** was sentenced on May 9, 2007 to 20 years in federal prison and 5 years supervised release for conspiring to possess with the intent to distribute 15 kilograms of cocaine. During the investigation, **Soto Garcia** negotiated with an undercover agent of the Drug Enforcement Administration to 15 kilograms of cocaine for \$375,000. After his arrest agents recovered approximately 50 grams of cocaine from a hidden compartment in the residence.

UNITED STATES v. EDWIN DORR

Edwin **Dorr** was sentenced on August 15, 2007 to five years in prison and 4 years supervised release for conspiracy. **Dorr** pled guilty on May 14, 2007 today to conspiracy to possess with the intent to distribute crack cocaine. **Dorr** and two other men were arrested in the early morning hours of May 25,

Violent Crime Section—DRUGS (cont.)

2006 in the City of Somersworth after being found in a car containing over 40 grams of crack cocaine. Police also seized a .22 caliber handgun and over \$2,000, in cash.

UNITED STATES v. BRENDA L. GILMAN

Brenda L. **Gilman** pled guilty on June 26, 2007, to unlawful possession with the intent to distribute crack cocaine and distribution of crack. **Gilman** was originally indicted on January 10, 2007. The charges stem from a June, 2006 traffic stop in Seabrook, New Hampshire, during which police found a quantity of “crack” cocaine hidden in **Gilman**’s clothing and for selling quantities of “crack” cocaine in the Hampton, New Hampshire area during the fall of 2006.

UNITED STATES v. NU T. TRAN

Nu T. **Tran** pled guilty on June 26, 2007 to conspiracy to possess with the intent to distribute in excess of 100 marijuana plants. **Tran** was originally indicted on January 10, 2007 after the discovery of approximately 840 marijuana plants located in a residence at 1191 Maple Street, Hopkinton, New Hampshire.



UNITED STATES v. STEVEN KEOHANE

Steven **Keohane** pled guilty on June 15, 2007 to distribution of crack cocaine. **Keohane** was originally indicted on January 10, 2007 after selling quantities of “crack” cocaine in the Hampton area during the fall of 2006.

UNITED STATES v. JEFFREY MUNROE

Jeffrey **Munroe** pled guilty on July 9, 2007 to distribution of crack cocaine. **Munroe** was originally indicted on January 10, 2007 after selling quantities of “crack” cocaine in the Hampton area during the spring of 2006.

UNITED STATES v. JUAN SOTO-MEJIA

Juan **Soto-Mejia** was sentenced on July 24, 2007 to 5 years in prison and 5 years supervised release for distribution of crack cocaine. **Soto-Mejia** previously pled guilty to charges of distribution and possession with intent to distribute crack cocaine on March 23, 2007.

UNITED STATES v. STEPHEN HART

Stephen **Hart** was sentenced on July 31, 2007 to 72 months in prison and 4 years supervised release for conspiracy to distribute in excess of 100 kilograms of marijuana and for engaging in a monetary transaction with proceeds from the distribution of marijuana. The investigation established that **Hart** was involved in the receipt and distribution of extensive amounts of marijuana from his residence located at 62 Thornell Road, Newton Junction, New Hampshire. On June 2, 2006, **Hart** was arrested and

a search of his residence was conducted. Seized during the course of the search was approximately 20 pounds of marijuana, \$45,000 in United States currency, extensive drug ledgers, and 5 firearms. Also seized during the course of the search were records establishing the purchase of assets with the proceeds of Hart's marijuana distribution activities.

UNITED STATES v. ROBERT A. CENNAMI

Robert A. **Cennami** pled guilty on August 2, 2007 to conspiracy and pharmacy burglary. The defendant admitted that he and another unidentified individual broke into a CVS Pharmacy in Derry on August 29, 2005, and stole approximately \$1,200 worth of prescription drugs. The burglary was captured on videotape and the defendant was subsequently identified by his Massachusetts parole officer.

UNITED STATES v. DOUGLAS HEATH

Douglas **Heath** pled guilty on September 4, 2007 to possession with intent to distribute a controlled substance and possession of a firearm by a felon. The Rochester Police Department, acting on information from a confidential source, executed a search warrant and recovered three firearms, cocaine and crack.

UNITED STATES v. JUAN CASTILLO

Juan **Castillo** was sentenced on September 18, 2007 to 5 years in prison and 3 years supervised release for drug trafficking. On March 23, 2007, Castillo pled guilty to a charge of possession with intent to distribute over five kilograms of cocaine in Salem in August, 2006. Castillo, who was driving north into New Hampshire from Massachusetts, was arrested after a Salem Police Department traffic stop when New Hampshire State Police "K-9" drug dogs alerted to the presence of almost seven kilos of cocaine secreted in a "hide" (hidden compartment) installed in Castillo's vehicle.

UNITED STATES v. ROBERT CASHMON

Robert **Cashmon** was indicted on September 12, 2007 for distribution of and the possession with intent to distribute anabolic steroids in violation of federal law. The charges against **Cashmon** are part of a nationwide effort to address the illegal distribution of anabolic steroids and other drugs. Anabolic steroids are Schedule III controlled substances under the Controlled Substances Act. The case was investigated by the FDA/OCI, New Hampshire State Police, U.S. Postal Inspection Service, Drug Enforcement Administration, Immigration and Customs Enforcement, and the Internal Revenue Service.



OPERATION STREETSWEeper CASES

CHARGES ADJUDICATED

UNITED STATES v. TONYKUS HERBERT & TARA HOISINGTON

Tonykus Hebert, 21, and his girlfriend, **Tara Hoisington**, 19, of Manchester, New Hampshire pled guilty to their involvement in the large-scale distribution of cocaine to undercover detectives. They were charged with engaging in a conspiracy to distribute cocaine, distribution of cocaine, possession with intent to distribute cocaine and possession of a firearm in furtherance of a drug trafficking crime. **Hebert** was sentenced on May 5, 2007 to 93 months imprisonment and 4 years of supervised release. **Hoisington** was sentenced on July 9, 2007 to 80 months in prison and 4 years of supervised release for aiding her boyfriend in the distribution. The case was investigated by the Manchester Police Department.

UNITED STATES v. CARL SMITH

Carl Smith was sentenced on April 24, 2007, after a jury trial, to 17 ½ years in prison and 3 years supervised release for distribution of powder and crack cocaine. The case was investigated by the Manchester Police Department and the New Hampshire Attorney General's Drug Task Force.

UNITED STATES v. JOSE GONZALEZ

Jose Gonzalez was sentenced on March 19, 2007 to 10 years in prison and 8 years supervised release for distribution of crack cocaine. The case was investigated by the New Hampshire State Police Narcotics Investigation Unit and the Manchester Police Department.

UNITED STATES v. ELLSWORTH GOTTLIEF

Ellsworth Gottlieb was sentenced on August 27, 2007 to 9 years in prison and 5 years supervised release. **Gottlieb** pled guilty to conspiracy to possess with intent to distribute over 50 grams of crack and being a felon in possession of a firearm. The case was investigated by the Manchester Police Department and the New Hampshire Attorney General's Drug Task Force.

UNITED STATES v. RAYMOND LEMIEUX

Raymond Lemieux was sentenced on April 16, 2007 to 15 years in prison and 4 years supervised release for distribution of crack. The case was investigated by the Manchester Police Department.

UNITED STATES v. CHARLES MURPHY

Charles Murphy, was sentenced on May 3, 2007 to 110 months in prison and 3 years supervised release for conspiracy to distribute and distribution of powder cocaine and crack. The case was investigated by the Manchester Police Department and the New Hampshire Attorney General's Drug Task Force.



UNITED STATES v. JOSEPH ANDERSON

Joseph Anderson was sentenced on March 28, 2007 to 30 months in prison and 3 three years supervised release for distribution of cocaine and crack. Anderson pled guilty in December 2006. The case was investigated by the Manchester Police Department.

UNITED STATES v. MATTHEW UHRY

Matthew Uhry pled guilty on June 18, 2007 to a one count indictment charging him with distribution of crack in excess of five grams and was sentenced to eight years imprisonment. The case was investigated by the Manchester Police Department.



United States v. Rebecca Bally

Rebecca Bally was sentenced on January 22, 2007 to 70 months in prison and 3 years supervised release. She pled guilty on April 24, 2006 to a three count indictment charging her with distribution of crack cocaine and heroin to undercover officers. The case was investigated by the Manchester Police Department .

United States v. Greg Cormier

Greg Cormier was sentenced on May 25, 2007 to 51 months in prison and 3 years supervised release for distribution of crack cocaine. The case was investigated by the Manchester Police Department and the New Hampshire Attorney General's Drug Task Force.

United States v. Augustin Damian

Augustin Damian was sentenced on July 3, 2007 to 92 months in prison and 3 years supervised release for cocaine and crack distribution. The case was investigated by the Manchester Police Department.

United States v. Amy Halle

Amy Halle was sentenced on July 3, 2007 to 21 months in prison and 4 years of supervised release for distribution of crack. **Halle** pled guilty to conspiracy to sell over 5 grams of crack cocaine. The case was investigated by the New Hampshire Drug Task Force and the Manchester Police Department.

United States v. Christopher Hoggard

Christopher Hoggard was sentenced on May 7, 2007 to 63 months in prison and 4 years of supervised release for distribution of crack. The case was investigated by the New Hampshire State Police Narcotics Investigation Unit and the Manchester Police Department.

United States v. Nathaniel Kitchen

Nathaniel Kitchen was sentenced on May 25, 2007 to 5 years in prison and 4 years of supervised release for possession with intent to distribute over five grams of crack. The case was investigated by the New Hampshire State Police Narcotics Investigation Unit and the Manchester Police Department.

United States v. Brandon Legere

Brandon Legere was sentenced on June 29, 2007 to 6 years in prison and 4 years supervised release for distribution of cocaine and crack. **Legere** pled guilty on June 14, 2006 to conspiracy to sell over 40 grams of crack and 29 grams of powder cocaine. The case was investigated by the New Hampshire State Police Narcotics Investigation Unit.

United States v. Donna Leslie

Donna Leslie was sentenced on April 4, 2007 to 30 months in prison and 3 years of supervised release for distribution of cocaine and crack. The case was investigated by the Manchester Police Department.

United States v. Kim Paul

Kim Paul was sentenced on May 30, 2007 to 18 months in prison and 3 years supervised release for distribution of cocaine and crack. **Paul** pled guilty to a four count indictment on January 11, 2007. The case was investigated by the Manchester Police Department and the New Hampshire Attorney General's Drug Task Force.

United States v. Julio Perez

Julio Perez was sentenced on May 29, 2007 to

OPERATION STREETSWEEPER CASES (cont.)

80 months in prison and 3 years of supervised release for three counts of distribution of crack. The case was investigated by the Manchester Police Department.

United States v. Robert Phaneuf

Robert Phaneuf pled guilty on February 22, 2007 to a seven count indictment charging him with conspiracy and distribution of cocaine. He was sentenced to 8 months in prison on May 22, 2007.

United States v. Sergio Philbrick

Sergio Philbrick was sentenced on June 18, 2007 to 37 months in prison and 4 years supervised release for distribution of cocaine and crack. **Philbrick** pled guilty to conspiracy to sell over 40 grams of crack and 29 grams of powder cocaine. The case was investigated by the New Hampshire State Police Narcotics Investigation Unit.

United States v. Charmine Preston

Charmine Preston was sentenced on July 24, 2007 to 5 years in prison and 4 years supervised release for distribution of crack. The case was investigated by the Manchester Police Department.

United States v. Praelou Roberts

Praelou Roberts was sentenced on September 26, 2007 to 30 months in prison and 3 years supervised release for distribution of cocaine and crack. The case was investigated by the Manchester Police

Department.

United States v. Robert Russell

Robert Russell was sentenced on June 20, 2007 to 7 years in prison and 3 years supervised release for distribution of cocaine and crack. The case was investigated by the Manchester Police Department and the New Hampshire Attorney General's Drug Task Force.

United States v. Deidre Scheffler

Deidre Scheffler was charged on February 22, 2007 with one count of distribution of crack after an investigation by the Manchester Police Department. **Scheffler** was sentenced on July 30, 2007 to 18 months in prison.

United States v. Robert Shatney

Robert Shatney, 41, of Derry, New Hampshire, was sentenced on January 3, 2007 to 70 months in prison and 3 years supervised release after pleading guilty to possession with intent to distribute crack cocaine. The case was investigated by the Manchester Police Department.

United States v. Diane Smith

Diane Smith was sentenced on April 18, 2007 to 2 years in prison and 3 years of supervised release for distribution of crack. The case was investigated by the Manchester Police Department.

United States v. Juan Soto-Mejia

Juan Soto-Mejia was sentenced on July 26, 2007 to 5 years in prison and 5 years supervised release for distribution of crack cocaine. The case was investigated by the New Hampshire Attorney General's Drug Task Force.

United States v. Yvonne Thrasher

Yvonne Thrasher was sentenced to 30 months in prison on October 3, 2007 for 3 counts of distribution of crack cocaine. The case was investigated by the Manchester Police Department.

United States v. Linda Tremblay

Linda Tremblay was sentenced on June 18, 2007 to 5 years in prison and 3 years supervised release for distribution of crack. The case was investigated by the Manchester Police Department and the New



Hampshire Attorney General's Drug Task Force.

United States v. Robert Underwood

Robert Underwood was sentenced on July 10, 2007 to 37 months in prison and 3 years supervised release for distribution of cocaine and crack. The case was investigated by the Nashua Police Department.

United States v. Jason White

Jason White was sentenced on May 22, 2007 to 5 years in prison and 4 years supervised release for possession of crack cocaine, cocaine, and heroin with intent to distribute. The case was investigated by the Manchester Police Department.

United States v. Peter St. Croix

Peter St. Croix was sentenced on August 16, 2007 to 78 months in prison followed by 8 years of supervised release on one count of possession with intent to distribute 800 grams of cocaine and one count of possession of a firearm by a prohibited person. The case was investigated by the Manchester Police Department.

United States v. Lucien Arsenault

Lucien Arsenault pled guilty on April 16, 2007 to 2 counts of distributing cocaine and crack cocaine. He was given a sentence of 10 months imprisonment and 3 years of supervised release on July 27, 2007. The case was investigated by Manchester Police Department.

United States v. Natasha Ayala

Natasha Ayala was sentenced on August 15, 2007 to 10 months in prison and 3 years of supervised release. **Ayala** pled guilty on May 11, 2007, to eight counts of distribution and possession with intent to distribute cocaine. The case was investigated by the Manchester Police Department and the New Hampshire Attorney General's Drug Task Force.

United States v. Andrew Eaton

Andrew Eaton was given a sentence of 6 months time served and 3 years supervised release on May 11, 2007 after he pled guilty to 3 counts of distribution of cocaine. The case was investigated by the Manchester Police Department.



CASES CHARGED / PENDING

The cases listed below, mostly initiated during fiscal year 2007, were scheduled for trial or final disposition during fiscal year 2008.

United States v. Thomas Anderson

Thomas Anderson was indicted on March 22, 2007 on one count of distribution of crack. The case was investigated by the Manchester Police Department. A trial date is set for January 25, 2008.

United States v. Cotisha Blake

Cotisha Blake, 37, of Manchester, New Hampshire, pled guilty on February 5, 2007 to a six count indictment charging her with distribution of a controlled substance, crack cocaine. The case was investigated by the Manchester Police Department.

United States v. Noel Boufford

Noel Boufford pled guilty on July 3, 2007 to a two count indictment charging him with distribution of crack. The case was investigated by the Manchester Police Department.

United States v. Mark Boulanger

Mark Boulanger was indicted on January 17, 2007 for five counts of crack cocaine distribution. The case was investigated by the Manchester Police Department.

United States v. Matthew Cormier

Matthew Cormier pled guilty on September 25, 2007 to a three count indictment charging him with distribution of cocaine and crack. The case was investigated by the Manchester Police Department.

OPERATION STREETSWEEPER CASES (cont.)

United States v. Rose Cote & Troy Cote

Rose Cote and **Troy Cote** pled guilty on May 29, 2007 to five counts of distribution of a controlled substance. The case was investigated by the Manchester Police Department and the New Hampshire Attorney General's Drug Task Force.

United States v. David Couture

David Couture and **Brandon Prewara** were indicted on January 18, 2007, on two counts of distribution of crack cocaine. The case was investigated by the Manchester Police Department.

United States v. Jerrell Cryer

Jerrell Cryer pled guilty on February 27, 2007 to a five count indictment charging him with distribution of cocaine and crack in excess of five grams. The case was investigated by the New Hampshire State Police Narcotics Investigation Unit and the Manchester Police Department.

United States v. Edward Davender

Edward Davender pled guilty on July 31, 2007 to distribution of approximately five grams of crack cocaine. The case was investigated by the Manchester Police Department.

United States v. Elaine Delgenio

Elaine Delgenio was indicted on March 7, 2007 for two counts of crack and cocaine distribution. The case was investigated by the Manchester Police Department.

United States v. Kim Farrell

Kim Farrell pled guilty on September 17, 2007 to an eleven count indictment charging **Farrell** with distribution of crack cocaine in excess of five grams.

United States v. Daniel Forlizzi

Daniel Forlizzi was indicted on January 17, 2007 for five counts of distribution of crack cocaine. The case was investigated by the Manchester Police Department.

United States v. Jason Thomas and Jennifer Furlow

Jason Thomas and **Jennifer Furlow** were charged



on March 8, 2007 with distributing crack cocaine. The case was investigated by the New Hampshire State Police Narcotics Investigation Unit and the Manchester Police Department. **Furlow** has pled guilty to one count of possession of crack cocaine and is scheduled for sentencing in 2008.

United States v. Lacey Gendell

Lacey Gendell was indicted on January 17, 2007 for four counts of distribution of crack cocaine. She pled guilty on October 29, 2007. A 2008 sentencing is scheduled. The case was investigated by the Manchester Police Department.

United States v. Bridgett Hebert

Bridgett Hebert was indicted on January 17, 2007 on six counts of distribution of crack cocaine. The case was investigated by the Manchester Police Department.

United States v. Raymond Jackson

Raymond Jackson pled guilty on August 27, 2007 to an indictment charging him with conspiracy to possess with intent to distribute over 50 grams of

crack. The case was investigated by the Manchester Police Department and the New Hampshire Attorney General's Drug Task Force. The case is scheduled for sentencing in 2008.

United States v. Fritz Lemite

Fritz Lemite pled guilty on September 4, 2007 to a seven count indictment charging him with cocaine distribution. The case was investigated by the Manchester Police Department.

United States v. Dario Manon

Dario Manon was convicted by a jury on March 9, 2007 on two counts of distributing crack cocaine and one count of distributing heroin. The case was investigated by the Manchester Police Department, the New Hampshire Attorney General's Drug Task Force and the New Hampshire State Police Narcotics Investigation Unit.

United States v. Scott McLain

Scott McLain pled guilty on August 20, 2007 to a two count indictment charging him with distribution of cocaine and crack. The case was investigated by the Nashua Police Department.

United States v. Ray McMillan

Ray McMillan was indicted on January 17, 2007 for five counts of crack cocaine distribution. The case was investigated by Manchester Police Department.

United States v. William Prentice

William Prentice pled guilty on November 29, 2006 to five counts of distributing crack cocaine. The case was investigated by the Concord Police Department.

United States v. Chad Ramish

Chad Ramish pled guilty to three counts of distributing crack cocaine on August 27, 2007. The case was investigated by the Manchester Police Department.

United States v. Michelle Sarazin

Michelle Sarazin pled guilty on May 10, 2007 to one count of distribution of a controlled substance. The case was investigated by the Manchester Police Department and the New Hampshire Attorney

General's Drug Task Force.

United States v. Wayne Webber

Wayne Webber was indicted on January 17, 2007 for four counts of crack and cocaine distribution. The case was investigated by Manchester Police Department.

United States v. Eugene Williams

Eugene Williams pled guilty on August 9, 2007 to four counts of distributing cocaine and cocaine base ("crack"). The case was investigated by the Manchester Police Department.



Violent Crime Section—ROBBERIES

UNITED STATES v. RYAN CHENEY

Ryan **Cheney** was sentenced on September 18, 2007 to 70 months in prison and 3 years supervised release for robbery. Ryan Cheney pled guilty on June 4, 2007 to robbery of the Cumberland Farms convenience store located on Fisherville Road in Concord in November, 2006. Cheney was indicted on March 26, 2007.

UNITED STATES v. ANTHONY RICHARDSON

Anthony **Richardson** was sentenced on March 20, 2007 to 2 years in prison after admitting he violated the conditions of supervised release by committing a burglary. The defendant burglarized a NH home in March 2006 after serving an eight year federal sentence for robbery and interstate transportation of stolen property.

UNITED STATES v. AVERY BLODGETT

Avery **Blodgett** was sentenced on April 20, 2007 to 18 years in prison and 5 years supervised release for committing multiple bank robberies between October 2005 and January 2006. **Blodgett** pled guilty on December 22, 2006 to conspiring to rob banks and to the following bank robberies:

1. October 24, 2005 - TD BankNorth - Manchester
2. November 3, 2005 - Citizens Bank - Manchester
3. November 16, 2005 - TD BankNorth - Manchester
4. November 29, 2005 - Citizens Bank - Concord
5. December 14, 2005 - Meredith Village Savings Bank - Moultonborough
6. December 23, 2005 - Profile Bank - Alton
7. January 6, 2006 - Northway Bank - Conway
8. January 11, 2006 - Ocean National Bank - Stratham

Blodgett also pled guilty to knowing that a firearm was used during one of the robberies.

UNITED STATES v. JAMES MCCARTHY

James **McCarthy**, was sentenced on April 26, 2007 to 78 months in prison and 3 years supervised release for committing three bank robberies. **McCarthy** pled guilty on December 22, 2006, to robbing the Citizens Bank in Rochester on April 24, 2006, the Northeast Credit Union in Rochester on March 27, 2006, and the First National Bank of Ipswich in Manchester, New Hampshire, on November 22, 2004.



UNITED STATES v. JEFFREY PAUL FERLAND

Jeffrey Paul **Ferland** was sentenced on May 3, 2007 to 57 months in prison and 3 years of supervised release for two bank robberies: the October 6, 2006 robbery of the Northern Lights Federal Credit Union, Littleton, New Hampshire and the October 20, 2006 robbery of the Connecticut River Bank, Lancaster, New Hampshire.

UNITED STATES v. DEREK KUCINSKI

Derek **Kucinski** was sentenced on May 23, 2007 to 63 months in prison and 3 year supervised release for nine counts of bank robbery. On January 4, 2007, **Kucinski** pled guilty to committing the following robberies: TD Banknorth in Plaistow, New Hampshire on July 10, 2006; Provident Bank in Seabrook, New Hampshire on October 1, 2006; Sovereign Bank branches in Haverhill, Massachusetts on June 26, 2006, September 11, 2006 and September 14, 2006; Haverhill Bank in Haverhill, Massachusetts on July 1, 2006; TD Banknorth in Rowley, Massachusetts on September 28, 2006; Provident Bank, in Newburyport, Massachusetts on October 3, 2006; and Eastern Bank in Newburyport, Massachusetts on October 6, 2006. The robberies were investigated by the Federal Bureau of Investigation, and the Plaistow, Seabrook, Haverhill, Rowley and Newburyport Police Departments.

UNITED STATES v. PATRICK SHINER

Patrick **Shiner** was sentenced on May 25, 2007 to 84 months in prison and 5 years supervised release for interference with commerce by threats or violence, possession of a firearm in furtherance of a crime of violence, and possession of a firearm with an obliterated serial number. **Shiner** pled guilty on September 26, 2006.

UNITED STATES v. JOAN DIBARTOLO

Joan **DiBartolo** was sentenced on May 24, 2007 to 41 months in prison and 3 years supervised release for bank robbery. **DiBartolo** entered the Members First Credit Union located at 200 Union Street in Manchester, New Hampshire on November 8, 2005, approached a teller, and handed the teller a demand note which read, "I have a gun. Put the money in the bag. If I have to, I will shoot you." The investigation was conducted by the Federal Bureau of Investigation and the Manchester, New Hampshire Police Department.

UNITED STATES v. TALBOT "TIMMY" CURTIN

Talbot "Timmy" **Curtin** was indicted on May 16, 2007 for bank robbery. **Curtin** was charged with robbing the Bank of America in Salem, New Hampshire on July 18, 2005. The case was investigated by the Federal Bureau of Investigation and the Salem, New Hampshire Police Department.

UNITED STATES v. SEAN KING

Sean **King**, was sentenced on July 9, 2007 to 30 years in prison 5 years supervised release and \$18,450 in restitution for the armed robbery of the Bellwether Credit Union in Manchester, New Hampshire, on October 19, 2005. **King** was convicted after a jury trial in which the government presented twenty-five witnesses who established that on October 19, 2005, defendant Sean **King** and another individual robbed the Bellwether Credit Union. **King**, who was holding a black handgun, approached a teller, leapt over the teller counter and emptied numerous cash drawers of currency, obtaining \$18,450 in United States currency.

Violent Crime Section—ROBBERIES (cont.)

UNITED STATES v. ARTHUR TROY DURHAM

Arthur Troy **Durham** pled guilty on July 31, 2007 to the commission of four separate robberies in Manchester, New Hampshire during the period of March 18, 2006 through November 28, 2006. **Durham** pled to engaging in the November 28, 2006 robbery of the EconoLodge hotel, located at 75 West Hancock Street, in Manchester, New Hampshire. **Durham** also pled guilty to the use and brandishing of a firearm during the EconoLodge robbery. In addition to the EconoLodge robbery, **Durham** pled guilty to the commission of a robbery at Shell Hanover Street, Manchester, New Hampshire, on November 24, 2006, a robbery at Queen City Mobil, South Willow Street, Manchester, New Hampshire, on October 18, 2006, and a robbery at Applebees Restaurant, 2nd Street, Manchester, New Hampshire, on March 18, 2006.

UNITED STATES v. HENRY D. DEVINE

Henry D. **Devine** was indicted on August 2, 2007 for robbery of four convenience stores and attempted robbery of a fifth store over a three day span. **Devine** was charged with robbing the 7-Eleven convenience store on Mammoth Road, the Beechmont Market on South Beech Street, the 7-Eleven convenience store on Webster Street, and the Mobil On The Run convenience store on Brown Avenue. Additionally, **Devine** is charged with attempting to rob the 7-Eleven convenience store on Beech Street in Manchester.

UNITED STATES v. RICHARD VILLAR

Richard **Villar** was convicted on April 18, 2006 after a three day jury trial for conspiracy and bank robbery. The government established that the defendant conspired with two others to rob St. Mary's Bank in Hudson, New Hampshire. **Villar** placed a black handgun to the teller's side and forced her into the bank where he stole over \$15,000. The case was investigated by the Federal Bureau of Investigation and the Hudson, New Hampshire Police Department.

UNITED STATES v. ROBERT L. CLARK

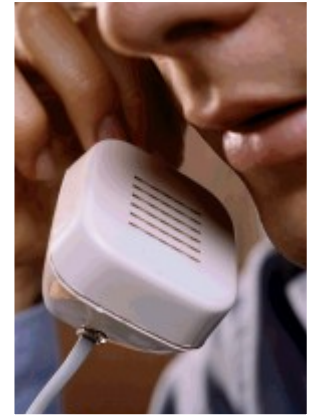
Robert L. **Clark** was charged on September 27, 2007 with three armed bank robberies in New Hampshire, including the August 27, 2007 robbery of TD BankNorth in Keene, the September 5, 2007 robbery of TD BankNorth in Wilton, and the September 26, 2007 robbery of TD BankNorth in Troy.



Violent Crime Section—Other Crimes

UNITED STATES v. THOMAS NEWTON

Thomas **Newton** was sentenced on April 18, 2007 to five years of probation and six months of home confinement for using the interstate telephone system to threaten another individual. He pled guilty in New Hampshire on October 26, 2006. The case was investigated by the FBI with assistance from the Hanover and New London, New Hampshire Police Departments.



UNITED STATES v. ELIJAH WALLACE

Elijah **Wallace** was sentenced on June 14, 2007 to 78 months in prison and 3 years supervised release for using the U.S. Mail to deliver letters containing threats to kill or injure several individuals. **Wallace** admitted on January 17, 2007, that he wrote a number of letters that contained anti-Semitic statements and threats. The letters were delivered by the United States Postal Service to private residences in Seabrook and Portsmouth, New Hampshire, the Police Departments in Portsmouth and Brentwood, New Hampshire and a school in Brentwood.

WHITE COLLAR CRIME SECTION

BANKRUPTCY FRAUD

UNITED STATES v. JOHN SKORICH

John Skorich was sentenced on August 1, 2007 to eight months in jail after he pled guilty to concealing personal assets from the United States Bankruptcy Trustee and the United States Bankruptcy Court.



WHITE COLLAR CRIME SECTION

CORPORATE FRAUD

In the summer of 2001, the former Chief Financial Officer for Enterasys Networks, Inc., **Robert Gagalis**, Enterasys's Senior Vice President of Finance, **Bruce Kay**, the company's business development executive, **Robert Barber**, the company's finance executive in the Asia Pacific Division, **Hor Chong (David) Boey**, and other Enterasys executives falsely inflated Enterasys's revenue figures to satisfy the publicly reported expectations of Wall Street analysts and to increase, or at least maintain, the price of Enterasys stock. The conspirators backdated and falsified documents and concealed material terms of business transactions from Enterasys's auditors in order to inflate revenues. They also fraudulently created false revenue by secretly investing company funds in other companies and causing those companies to use the investment proceeds to buy Enterasys products. Public investors lost at least \$97 million as a result of the scheme.



Gagalis was convicted of one count of conspiracy, two counts of securities fraud, one count of making false statements to auditors of a public company, and four counts of wire fraud. In July 2007, he was sentenced to 11 ½ years in prison.

Kay was found guilty of one count of conspiracy, two counts of securities fraud, one count of falsifying books and records of a public company, one count of making false statements to auditors of a public company, and three counts of wire fraud. He was sentenced to 9 ½ years in prison.

Barber was found guilty of conspiracy, two counts of securities fraud, one count of falsifying books and records of a public company, and one count of making false statements to auditors of a public company. He was sentenced to eight years in prison.

Boey, was convicted of conspiracy, two counts of securities fraud, one count of falsifying books and records of a public company, one count of making false statements to auditors of a public company, and two counts of wire fraud. **Boey** was sentenced to three years in prison.

In addition, the head of Enterasys's Singapore sales office, **Gary Workman**, was sentenced to 41 months in jail; the company's former senior executive, **Gail Spence Lucauw**, was sentenced to 27 months in jail and a \$15,000 fine; and Enterasys's former Assistant Controller, **Anthony Hurley**, received a prison sentence of 12 months and one day for their roles in the conspiracy. Enterasys's former Chairman, President and Chief Executive Officer, **Henry Fiallo**, pled guilty to conspiracy to commit securities fraud. Fiallo was sentenced to 4 years in prison and 2 years supervised release.

ECONOMIC CRIMES

Bank Fraud

Mark Maynard caused another person to write him a check for \$238,000 by promising not to deposit the check until there were sufficient funds in the other person's checking account. Before that occurred, **Maynard** caused the check to be deposited into a checking account owned by other people. He then caused the owners of that account to unwittingly use the falsely inflated balance of the account to withdraw money and give it to him. **Maynard** was sentenced to 46 months in jail.

Bryant Green, Latanya Jones and **Warren Butler** used bank account information and other personal identifying information belonging to other people to fraudulently withdraw more than \$42,000 from the victims' bank accounts. **Green** was sentenced to 51 months in jail. **Jones** was sentenced to 70 months in prison for her participation in the conspiracy. **Butler** was arrested in March 2007.

Counterfeit Goods

David Ward induced customers to purchase computer memory kits from a company he owned, Hardware 4 Less, by falsely claiming that the kits were manufactured by Compaq. **Ward** was sentenced to three years probation and four months of intermittent imprisonment.

Counterfeit U.S. Currency

Wayne Thompson was sentenced to 18 months after he pled guilty to manufacturing more than \$7,000 worth of counterfeit U.S. currency.

Disability Fraud

Kevin Corbin was charged with concealing the amount of income he earned in order to cause the United States Department of Veterans Affairs and the Social Security Administration to pay disability benefits to him.

Ligia Veda was charged with making false statements in an attempt to increase the disability benefits she received from the Social Security Administration.

Irene Howard was charged with transferring approximately \$20,000 of the \$100,000 in disability benefits that she fraudulently received from the Social Security Administration from a bank account in Maine to a bank account in New Hampshire.



ECONOMIC CRIMES (cont.)

Embezzlement

Hugh A. McAdam, the former trustee of Salary Deferral Retirement Plan for employees of International Paper Box Machine Company of Nashua, New Hampshire, was sentenced to a one year of probation and ordered to pay \$346,000 in restitution after he pled guilty to stealing the money from the retirement plan.

The treasurer of a nonprofit organization, **William Slack**, was charged with mail fraud. According to the indictment, **Slack** used money he stole from the nonprofit organization to pay some of his personal expenses.

David Burns was charged with wire fraud. The charge stems from allegations that **Burns** stole more than \$1 million from a minor child for whom he was the primary custodial parent. The money was paid to the child to compensate the child for injuries sustained during childbirth.

False Statements

In April 2003, Boston and Maine Airways Corporation submitted a request to the United States Department of Transportation to purchase seven Boeing 727 airplanes. During the application process, BMAC's Senior Vice President and General Counsel, **John Nadolny**, knowingly submitted a balance sheet and a bank statement to DOT that falsely exaggerated BMAC's financial condition. BMAC corrected the false information, after it reported **Nadolny's** conduct to the Department of Transportation. **Nadolny** was sentenced to six months in jail, after he pled guilty to making false statements to DOT.



Stolen Property

George Lin Wu was sentenced to two years of probation after he pled guilty to transporting stolen night vision optics and lasers, worth more than \$5000, across state lines.

IMPORTATION AND EXPORTATION CASES

Vee Excel Drugs & Pharmaceuticals, Inc., pled guilty to charges that it conspired to traffic in counterfeit Cialis tablets and to introduce misbranded drugs into the United States.

LogicaCMG, Inc., paid a \$50,000 fine after pleading guilty to illegally causing a computer server used for enabling and processing messaging over a wireless telecommunications network to be exported to Cuba.

IMMIGRATION OFFENSES

James Kamau, a citizen of Kenya, was sentenced to 10 months in jail after he pled guilty to re-entering the United States without permission of the Attorney General.

Arninder Singh, a citizen of India, was stripped of his United States citizenship and sent to prison for approximately nine months after he pled guilty to naturalization fraud and bail jumping. The naturalization fraud offense stems from a false claim Singh made during his naturalization process that he had never been deported. The bail jumping offense occurred when Singh failed to appear for sentencing on the naturalization fraud charge.



Ellis Island, New York

Hector Horta-Arriaga, a citizen of Mexico, was sentenced to 30 months in jail after pleading guilty to re-entry after deportation.

Gilmar Miranda, another citizen of Mexico, was sentenced to 16 months after he pled guilty to unlawfully re-entering the United States.

Carlos Caballero-Zuniga, a citizen of Mexico, was sentenced to approximately three and one half months in jail after he admitted that he re-entered the United States unlawfully.

Canute Thompson was charged with making a false claim of United States citizenship in an application for employment that he submitted to a bank in New Hampshire.

Ruben Ortiz-Perez, a citizen of Mexico, was charged with re-entry after deportation.

Eusebio Mateo was sentenced to six months in jail after he pled guilty to falsely claiming to be a United States citizen in an application for a New Hampshire driver's license.

Cristian Almanza-Diaz also falsely stated in an application for a New Hampshire driver's license that he is a citizen of the United States.

John Pendergast was sentenced to one month in jail for using a false social security number in an effort to obtain a consumer credit card.



OBSTRUCTION OF COURT PROCEEDINGS

Bail Jumping

Terri Thurlow was sentenced to 10 months in jail after she pled guilty to bank fraud. She was released on bail and ordered to report to a federal prison on June 30, 2006. When **Thurlow** failed to report to the prison, she was charged with bail jumping. **Thurlow** was sentenced to 11 months in jail, consecutive to the sentence she received for bank fraud.

Contempt of Court

As a result of a prior federal criminal charge against **Christopher Cortez**, the U.S. District Court issued a bail order that specified conditions of his release. Thereafter, **Cortez** was involved in an altercation with another man, during which **Cortez** struck the man in the face. As a result, **Cortez** was charged with simple assault by New Hampshire authorities. In April, **Cortez** was formally charged with criminal contempt for violating the court's bail order. After pleading guilty to the charge, **Cortez** was sentenced to approximately 3 ½ months in jail.

PUBLIC CORRUPTION

Paying Bribes to a Public Official

John Burke was sentenced to 21 months in jail after pleading guilty to conspiring to defraud the Department of Veterans Affairs and paying bribes to a public official. Over a five-year period, **Burke** provided numerous bribes to an employee of the VA, **Robert Mayer**, in exchange for government contracts worth more than \$3 million which **Mayer** awarded to **Burke's** home repair business, **Burke Renovations**. **Burke** also corruptly influenced **Mayer's** conduct as an employee of the federal government by making numerous cash payments, totaling more than \$100,000 to **Mayer**, renovating bathrooms, replacing shingles and installing ceiling fans in **Mayer's** home. In addition, **Burke** and his company, Echelon Construction, LLC (previously known as **Burke Renovations, Inc.**) entered into a consent decree in which they agreed to pay \$300,000 to settle allegations that they violated the civil False Claims Act by submitting invoices to the VA for work which they did not perform. In 2006, **Mayer** was sentenced to 63 months in jail for his participation in the offenses.



TAX CRIMES

In January, a jury returned verdicts convicting **Edward Brown** and **Elaine Brown** of conspiracy and a number of federal tax crimes. During the trial, the government introduced evidence that the Browns failed to report and otherwise evaded paying on more than \$1.9 million that Elaine Brown earned as a dentist from 1996 through 2003, and that Elaine Brown failed to collect and pay employment taxes for her dental office employees in 2002 and 2003. The Browns defended themselves by asserting that there is no legal authority for the federal government to collect income taxes from its citizens. The Browns did not appear in court for their sentencing hearings; both were sentenced to 63 months in prison. They were arrested in their home by Deputy U.S. Marshals on October 4, 2007.

In April 2007, a grand jury returned an indictment alleging that **Michael Monahan** and **Jeffrey Mealey**, failed to pay federal income, social security and medicare taxes on more than \$13 million in wages that were paid to employees of three temporary employment agencies they operated and owned from 2000 to 2003. The indictment also alleges that Monahan falsely reduced the premiums he would have otherwise been required to pay for workers compensation insurance for the employees by submitting applications for the insurance that concealed his personal financial interest in the temporary employment agencies, falsely reported the number of employees who worked for the agencies, falsely described the work that was performed by the agencies' employees and underreported the agencies' estimated payroll.

Also in April 2007, the former Majority Leader of the New Hampshire House of Representatives, **Vincent Palumbo**, was charged with failing to file federal income tax returns for five years.



In July, **Robert Failla**, a plumber, was sentenced 12 months home detention and three years probation after pleading guilty to three counts of filing false tax returns.

Anthony Carder and his wife, **Deborah Carder** were charged with income tax evasion and filing false federal income tax returns from 2000 to 2003. The offenses are alleged to have resulted in a tax loss of approximately \$116,000 to the United States.

THREAT CASES

Jeffrey Phillips was sentenced to four months in prison and three years of supervised release on a charge that he mailed a threatening communication to a state court judge who was assigned to his divorce case.

Thomas Newton was sentenced to five years probation and six months home confinement after he pled guilty to using the interstate telephone system to threaten an individual in New Hampshire.

APPELLATE UNIT

Assistant U.S. Attorney Aixa Maldonado, who served as an AUSA in the District of Puerto Rico for over five years before joining our office five years ago, is the U.S. Attorney's Office's Appellate Coordinator. She oversees and reviews (and personally handles most of) the Office's appellate practice in the U.S. Court of Appeals for the First Circuit in Boston, as well as its "habeas corpus" practice in the U.S. District Court here in Concord, which involves convicted defendants' "collateral attacks" on their convictions in their efforts to obtain dismissals or new trials.

An experienced narcotics prosecutor, Aixa has a wealth of skill and knowledge enabling her to analyze and argue effectively to protect the United States' interests in matters that arise post-conviction. She also serves as the District of New Hampshire's liaison to the other appellate experts in U.S. Attorney's Offices in the other First Circuit districts in Massachusetts, Maine, Rhode Island, and Puerto Rico.

Appellate matters arising in FY 2007 included:

United States v. Keith Materas, 483 F.3d 27 (April 10, 2007) - The Court of Appeals affirmed the District Court's decision that **Materas**, charged with drug trafficking, was not entitled to a "*Franks*" evidentiary hearing on issue of whether the police officer made a false statement in the affidavit in support of a search warrant. In addition, **Materas**' identification as to the location of the drugs did not merit suppression since his statements had been made after he was subsequently advised of his rights.

United States v. Gary Pratt, 496 F.3d 124 (Aug. 8, 2007) - During the trial against **Pratt**, who had been charged with being a felon in possession of a firearm, a stipulation between the parties on two elements of the offense was not read to the jury prior to charging the jury, but rather, during the jury instructions. **Pratt**, who did not object to this during trial, appealed the sufficiency of the evidence against him in light of the government's failure to produce evidence regarding the stipulated elements of the offense. The conviction was affirmed. **Pratt**'s other challenges to his sentence, including his characterization as an "armed career offender," were also rejected by the First Circuit. The case was tried by AUSA Clyde Garrigan.

United States v. Cirilo-Jimenez, 2007 WL 2306920 (Aug. 14, 2007) - After entering a plea of guilty to a charge for death resulting from the distribution of heroin, **Jimenez** claimed that he was unaware that he was facing a statutory minimum term of imprisonment of 20 years. A review of the change of plea colloquy revealed otherwise. His argument that the guilty plea was based upon insufficient evidence was also dismissed following the factual scenario provided by

the government. Lastly, the court held that the government need not prove the "death resulting" language in the statute beyond a reasonable doubt in order for the court to sentence him accordingly. This language does not require proof that death was a reasonably foreseeable consequence of the defendant's heroin distribution. In fact, there is no foreseeability requirement for the "death resulting" component of the statute. AUSA Don Feith successfully argued this appeal before the First Circuit.

United States v. Mohammed Reza Enayat - Following his conviction for possession of a stolen security (a check in the amount of \$113,800), **Enayat** made numerous attempts to stall the appellate process in order to keep the Court of Appeals from deciding his case before his release from jail. Had this been the case, the Bureau of Immigration and Customs Enforcement would have had to locate him and re-arrest him prior to his deportation to Iran. On appeal, **Enayat** challenged the sufficiency of the evidence against him and the court's denial of a legally insufficient motion for new trial. Ultimately, the appellate court denied his appeal before his release into the free community. While civil proceedings involving **Enayat** are still ongoing, BICE was spared spending resources to relocate this defendant. The case was tried by AUSA Terry Olilla.

United States v. Codarcea, 505 F.3d 68 (October 29, 2007) - In the absence of clear error, the Court of Appeals upheld the District Court's finding that **Codarcea**, convicted of bank fraud, should be held accountable to the total loss suffered by the victim bank, although the government's evidence showed that he had only participated in the beginning and end of the conspiracy.

VICTIM/WITNESS SPECIALIST



The Victim Witness Specialist for the U.S. Attorney's Office is Sheila Jenkins-Hamilton. Mrs. Hamilton is responsible for the automated "Victim Notification System" (VNS) for the District of New Hampshire. VNS provides victims of federal crime with notice of major case events from investigation through prosecution, incarceration and inmates' release. During the 2007 fiscal year, the United States Attorney Office opened 60 new victim cases and registered an additional 4,676 victims. The Victim Witness Specialist generated 41,136 notifications concerning 235,295 pieces of information relating to federal criminal cases in the District of New Hampshire. The VNS website (VIS) registered over 8,500 victim logins.

Mrs. Hamilton is also responsible for assisting the prosecutors with schedules and travel for victims and witnesses testifying in federal court. In fiscal year 2007, the Victim/Witness program assisted 124 witnesses appearing in federal court; 34 out-of-state witnesses with travel and lodging; had direct contact with over 1,500 victims and witnesses and provided first-hand information to victims involving more than 240 federal court proceedings.

Training and education on federal laws and initiatives concerning victims of federal crime is also a major responsibility of the Victim/Witness Program. Topics covered in FY 2007 trainings included human trafficking, immigration issues, elder abuse, identity theft, child pornography, domestic violence and sexual assault.

In March of 2007, Mrs. Hamilton participated in the Maine/New Hampshire Victim Assistance Academy, a forty hour victim assistance curriculum designed to train victim advocates and law enforcement. She also participated in the development of the Tri-State Consortium Advance Training Conference being hosted by Maine in November 2007. Mrs. Hamilton is on the conference committees for New Hampshire's Attorney General's Task Forces on Domestic Violence and Sexual Assault as well as Child Abuse and Neglect, sponsors speakers and assists with obtaining funding to support these two annual conferences.

The Justice For All Act of 2004 provides the following rights for victims:

- 1. The right to be reasonably protected from the accused.**
- 2. The right to receive reasonable, accurate, and timely notice of any public court proceeding, or any parole proceeding, involving the crime or any release or escape of the accused.**
- 3. The right not to be excluded from any such public court proceeding, unless the court, after receiving clear and convincing evidence, determines that testimony by the victim would be materially altered if the victim heard other testimony at that proceeding.**
- 4. The right to be reasonably heard at any public proceeding in the district court involving release, plea, sentencing, or any parole proceeding.**
- 5. The reasonable right to confer with the attorney for the Government in the case.**
- 6. The right to full and timely restitution as provided in law.**
- 7. The right to proceedings free from unreasonable delay.**
- 8. The right to be treated with fairness and with respect for the victim's dignity and privacy.**

OPERATION FALCON III



In New Hampshire, U.S. Marshals highlighted the “Top Ten Fugitives” arrested during the week, including **Thomas Goines**, wanted by the Manchester Police for Failing to Register as a sex offender; **Erin Diamond**, wanted by the Strafford County Sheriff for escape; and **Robert Young**, wanted by the Schenectady NY Police for Aggravated Felonious Sexual Assault on a Minor and Child Endangerment. The list included six individuals that failed to register in their communities as sex offenders, three alleged rapists, and an individual wanted by Glendale Heights, IL authorities for Home Invasion with Intent to Kidnap.

“This concerted effort, involving law enforcement officers from local, state, and federal agencies demonstrates the effectiveness of the Task Force approach in apprehending New Hampshire’s Most Wanted,” said U.S. Marshal Stephen Monier. Monier added, “We need only be reminded of the tragic case of nine-year-old Jessica Lunsford of Florida, kidnapped from her home and later murdered, to understand why the focus on the unregistered sex offender and those who would prey on our children, is of vital importance.



Stephen Monier
U.S. Marshal

Locally, FALCON III arrest teams from the NH Joint Fugitive Task Force cleared 114 warrants and made 83 physical arrests in seven days. United States Attorney Tom Colantuono praised the operation’s success. “This operation, along with the Department of Justice’s on-going efforts, provides a clear indication of what law enforcement agencies can accomplish when there is cooperation on all levels—federal, state and local,” said U.S. Attorney Tom Colantuono. “When we share information and pool our resources towards a common goal, the results are safer communities for our children and a more secure homeland.”

Fugitives whose cases were adopted by Operation FALCON III were sought by the Marshals Service, ATF, DEA, HUD-OIG, DHS-ICE, SSA-OIG, DSS, other federal, state, and local agencies, United States Attorneys, and courts at every level of government. Additionally, Operation FALCON task force members handled cases referred by the National Center for Missing and Exploited Children, as well as those of foreign fugitives believed to be in this country. The Marshals Service also received support from the Organized Crime Drug Enforcement Task Force (OCDETF) at the Department of Justice. Interpol and the Department of State’s Diplomatic Security Service assisted in the investigations of persons wanted by law enforcement worldwide. Seven foreign and seven international fugitives who were arrested during Operation FALCON III now face deportation or extradition proceedings.



Members of the Operation FALCON Task Force

AN HISTORIC FIRST: A NEW HAMPSHIRE FUGITIVE PLACED ON THE FBI'S “TEN MOST WANTED FUGITIVES” LIST

While serving a ten-year prison sentence for sexually assaulting two 11-year-old Texas boys, John Savarino Schillaci began correspondence with a New Hampshire family. The family remained a pen pal of Schillaci throughout his imprisonment. When Schillaci was released from the Texas jail in 1999, he was to attend school in Boston, Massachusetts and needed a place to live. The New Hampshire family eventually provided Schillaci a home from which to start a new life. When they learned that Schillaci allegedly assaulted their five-year-old son, they immediately reported the matter to the police, in October of 1999.

On November 4, 1999, Jon Savarino Schillaci was indicted by a Rockingham County Grand Jury at Brentwood, New Hampshire, on sexual assault charges. A bench warrant for Schillaci's arrest for Failure to Appear was issued in December of 1999. Once it was determined that Schillaci crossed state borders, the Boston Division of the FBI obtained an Unlawful Flight to Avoid Prosecution (UFAP) warrant for Jon Savarino Schillaci. In September of 2000, Schillaci was additionally charged with twenty-three counts of possession of child pornography.

Jon Savarino Schillaci is the 488th person to be placed on the FBI's "Ten Most Wanted Fugitives" list, which was established in March of 1950. He is the first fugitive in history from New Hampshire to be placed on the list. Since then, 457 fugitives have been apprehended or located, 150 of them as a result of citizen cooperation.



America's Most Wanted Host John Walsh speaks at a press conference in Boston held on September 7, 2007, announcing the addition of John Savarino Schillaci to the FBI's "Ten Most Wanted Fugitives" list. Also pictured above is from left to right FBI-Bedford Supervisory Senior Resident Agent John Mullvaney, Special Agent Laura Hanlon and U.S. Attorney Colantuono

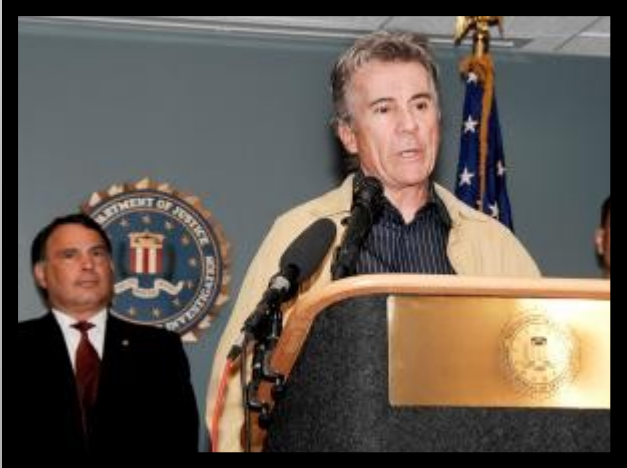
FBI TEN MOST WANTED FUGITIVE

UNLAWFUL FLIGHT TO AVOID PROSECUTION -
AGGRAVATED FELONIOUS SEXUAL ASSAULT, FELONIOUS SEXUAL ASSAULT;
POSSESSION OF CHILD PORNOGRAPHY (23 COUNTS)

JON SAVARINO SCHILLACI



Aliases: Jon Schillaci, Jon S. Schillaci, Jon Willis, Christopher Keegan, Cody Keegan



CIVIL DIVISION



Gretchen Leah Witt
Chief, Civil Division

The Civil Division of the U.S. Attorney's Office defends and prosecutes all civil actions in the District of New Hampshire that involve the United States, its agencies, and its employees in their official and sometimes in their individual capacities. During Fiscal Year 2007, the Division's six attorneys, and the experienced staff that works with them, appeared in local, state, bankruptcy, federal trial, and federal appeals courts in furtherance of the interests of the United States and its populace.

The Civil Division's practice is diverse, ranging from both defensive and affirmative cases. In 2007, the attorneys handled a vast array of defensive cases, defending lawsuits alleging medical malpractice by Federally-Supported Health Centers, challenges to agency decision making through the Administrative Procedures Act, Freedom of Information Act cases, Title VII discrimination in federal employment cases, Social Security disability claims cases, and an increasing number of immigration-based cases. In 2007, they also handled a wide variety of affirmative cases, including Americans with Disabilities Act enforcement, civil fraud cases, asset forfeiture actions, and environmental and other regulatory enforcement cases.

In addition, the Civil Division provided legal counsel to federal agencies, and to individual federal employees subpoenaed to provide expert testimony or information obtained in the exercise of federal duties and responsibilities. Federal law strictly limits such appearance in order to minimize the otherwise substantial distraction of federal agencies and employees from their intended governmental mission.



FINANCIAL LITIGATION UNIT

The Financial Litigation Unit (“FLU”) is responsible for collecting money owed to the United States and crime victims (the federal government, individuals, banks, insurance companies and other businesses or entities). Criminal cases include bond forfeitures, special assessments, fines, federal restitution (money owed to a federal agency), and non-federal restitution (money owed to individuals, banks, insurance companies and other entities). Money collected for special assessments and fines is allocated to aid victims of crime. The proceeds collected in the Crime Victims Fund are distributed by DOJ’s Office for Victims of Crime through grants to state-based victims compensation and victim assistance programs. Money collected for restitution is paid to the Court and then disbursed directly to the victim, with non-federal entities always taking priority over restitution to a federal agency.

Court-ordered restitution collected by the FLU for payment to non-federal victims for FY 2007 totaled \$2,756,263, a significant increase over the \$683,424 collected in FY 06. This figure included over \$2.5 million in funds obtained through asset forfeiture for restitution to victims of telemarketing crime. Court-ordered restitution collected by the FLU for payment to federal agencies totaled \$5,130. Examples of cases where federal agencies would receive restitution are fraud, embezzlement and theft. A total of \$160,184 was collected as fines and assessments and was deposited into the Crime Victims Fund. At the end of FY 2007, the FLU maintained a criminal caseload of 558 criminal debts, totaling \$46,617,839 in debts owed to the United States and victims.

The FLU’s civil cases consist of defaults on government loans (such as Department of Education and Department of Health and Human Services student loans, and Small Business

Administration loans), overpayments made by the United States (such as Social Security, veteran’s benefits, and Medicare), pre-trial diversion cases (in which criminal prosecution is deferred to pursue civil remedies), environmental fines and penalties, and monetary penalties owed to the United States as a result of successful civil prosecutions (such as health care fraud and ADA prosecutions). At the end of FY 2007, the FLU maintained a caseload of 66 civil debts, totaling \$2,011,202.

The FLU collects money through voluntary payment plans, wage garnishments, bank garnishments, by attachment of personal property (cars, jewelry, etc.), offsetting federal benefits received by defendants (tax refunds, social security benefits, etc.), and by placing liens against real estate property. Total civil collections for FY 2007 totaled \$5,505,410, more than quadruple the amount collected in FY 2006.



An example of a significant civil collection case handled in FY 2007 is [United States v. Turner’s Dairy, Inc.](#) In this case, the parties entered into a Consent Judgment for the payment of \$354,850 owed by the corporate defendant to the Department of Agriculture for various milk programs in which it was engaged as a milk

producer prior to the time it ceased operations. Collecting the consented-to judgment was problematic, because the only corporate asset was land and a building used in the former milk producing operation. The building encroached on adjacent property and the past operation of the milk plant generated possible hazardous waste on the property and on the adjacent property. After collecting \$70,000 from the sale of corporate vehicles and equipment, the FLU became aware that a principal of the corporation was renting the building to various tenants. The FLU garnished the rent proceeds. The result was that one of the principals, who wanted to retain the corporate property, decided to pay the balance of the judgment, with some additional interest, resulting in a total recovery of \$360,000.



BANKRUPTCY LITIGATION

The Civil Division represents federal agencies in bankruptcy proceedings in which the agencies have a financial interest. In many cases, the Internal Revenue Service (IRS) has claims in these proceedings. The bankruptcy AUSA, either alone or in conjunction with attorneys from the Tax Division of the Department of Justice or the Special Assistant United States Attorney in the IRS' District Counsel's Office, represents the IRS' interest. Other agencies, including the Department of Agriculture (Farm Service Agency, Rural Housing Service), Department of Housing and Urban Development, Federal Aviation Administration, U.S. Small Business Administration and the Department of Education, are represented primarily by the bankruptcy AUSA. Typical actions involve proceedings to determine the validity and extent of liens, adversary proceedings to determine the dischargeability of certain debts (including student loans) and hearings on motions to lift the automatic stay so that a federal lender may foreclose on a defaulted mortgage loan. In FY 2006, this office handled 16 bankruptcy matters. In FY 2007, this office was involved in 14 bankruptcy matters, which included 1 adversary proceeding, 9 Chapter 13 cases, 3 Chapter 7 cases and 1 Chapter 12 case.



ASSET FORFEITURE



Although the Asset Forfeiture Unit (AFU) is part of the office's Civil Division, asset forfeiture is an integral part of federal criminal law enforcement. Asset forfeiture takes the profit out of crime by depriving the criminal of the fruits and instrumentalities of his crimes. While most cases filed by the AFU are filed as civil litigation, the Asset Forfeiture AUSAs also work closely with the office's Criminal Division AUSAs, often as co-counsel from investigation and indictment to sentencing, to obtain forfeitures in their criminal cases. The AFU also collaborates with the Civil Division's Affirmative Civil Enforcement Unit to restrain the dissipation of assets during the pendency of affirmative litigation for the recovery of damages to the United States under the False Claims Act and other federal laws.

During FY 2007, a total of \$1,801,384 in assets were forfeited (\$1,120,183 forfeited civilly and \$681,201 forfeited criminally). The forfeited funds are used in several ways. Forfeited funds may be restored to crime victims as restitution, or distributed to participating state and local law enforcement agencies under the Department of Justice's Equitable Sharing Program. These funds are earmarked for specific purposes authorized by the Attorney General, including drug education and narcotics investigation.

In FY 2006, the AFU opened 37 new civil cases and matters, 5 new criminal matters and cases, and concluded 31 civil and criminal forfeiture cases.

ASSET FORFEITURE HIGHLIGHTS OF NOTABLE CASES IN FY 2007

United States v. Funds on Deposit—This year saw the conclusion of the office's handling of a civil asset forfeiture case with national significance, **United States v. Funds on Deposit**, which arose out of our prosecution of a Canadian telemarketing fraud against elderly Americans. The victims were swindled out of approximately \$6.5 million, deceived into believing that they needed to send cashier's checks to the fraudsters to prepay taxes on alleged lottery winnings. The fraudsters instead sold the checks, which were then laundered through the Middle East, where they were deposited in six Israeli banks and the Ramallah, Palestine, branch of a Jordanian bank, before ultimately being returned to the United States for payment.

Using a new tool provided by the USA PATRIOT Act, 18 U.S.C. § 981(k), the Asset Forfeiture Unit seized approximately \$4.5 million from the U.S. correspondent bank accounts of the foreign banks. (A correspondent account is one that a foreign bank establishes in the United States

to facilitate international banking and to provide its customers access to the U.S. banking system.) Under the new law, the United States is now permitted to seize funds from correspondent accounts which are deemed to be the funds belonging to the customer who originally deposited them in the foreign bank. The foreign bank is not permitted to make a claim to the funds, unless the depositing customer no longer has sufficient funds in the foreign bank account to cover the seizure. Here, many banks did not challenge the seizure, but the Jordanian bank did.





In the first interpretation of this section of the USA PATRIOT Act, the United States Court of Appeals for the First Circuit upheld the United States' interpretation of the law. The result was that the United States was able to forfeit a total of \$3.9 million as proceeds of the telemarketing fraud. These funds are in the process of being distributed to the victims of the telemarketing fraud as restitution. In addition, other U.S. Attorney Offices around the country are benefitting from the First Circuit's clear interpretation of the law as those offices use the tool provided in § 981(k) to help stem the tide of international money laundering.

United States v. 6 Fox Street—The First Circuit Court of Appeals upheld the forfeiture of approximately \$1.8 million in assets that had facilitated drug trafficking or were proceeds of such trafficking. The property consisted of eight parcels of real property, \$12,187 in United States currency, six vehicles and five financial accounts, all seized from a drug dealer, who was charged with drug trafficking in a related federal criminal prosecution.

This case was painstakingly developed from historical records of the property owner's involvement in drug trafficking. That involvement dated back to 1975, when he and a partner began to purchase significant quantities of marijuana each week for distribution. The trafficking continued throughout the 1980's and 1990's, during which he stored drugs at, and sold drugs out of, many of the properties that were subject to forfeiture. In fact, he purchased many of those properties at least partially with proceeds from his drug sales. His purchase of properties and vehicles well exceeded whatever earnings he reported, and he also deposited substantial sums in various financial accounts.

The claimant ultimately became the target of

an Organized Crime Drug Enforcement Task Force ("OCDETF") investigation in June 2001. That investigation culminated in the claimant's arrest after the task force videotaped him buying four blocks of marijuana. On that same day investigators executed a search warrant at the claimant's address, where they recovered strong evidence of drug trafficking, including drugs, drug ledgers and cash. Those drug ledgers were submitted to a forensic examiner with the FBI, who concluded after investigation that the records seized at the claimant's house contained balances for 75 accounts related to his drug business between 1983 and 1987. The records reflected a minimum total of \$2,322,014 in drug sales during those years. Based upon this information, which the claimant did not materially contest, the district court had granted summary judgment to the United States, which the First Circuit affirmed.

United States v. 76 Lane Road, Raymond, New Hampshire—A residence located at 76 Lane Road, Raymond was used to facilitate cocaine distribution. After the sale of the property, the United States forfeited \$335,782. The owner was convicted of drug trafficking offenses in federal court.

United States v. 123 N. Main Street, Rochester, New Hampshire—A property in Rochester was used to facilitate an illegal gambling operation. After the sale of the property, the United States forfeited \$75,000. The owner was convicted of gambling and tax offenses in federal court.

United States v 8 Turbini Lane, Berwick, Maine - A property in Berwick, Maine was used by the owner as a storage facility for large quantities of marijuana. The United States forfeited \$65,178 from the owner. The owner was convicted of drug trafficking offenses.





United States v. Edward and Elaine Brown - After trial in district court, a jury convicted Edward and Elaine Brown of tax evasion over a ten year

period, and conspiracy to structure postal money orders. "Structuring" means deliberating breaking up financial transactions into smaller units to avoid a reporting requirement imposed by law. After conviction on the charged offenses, the jury heard and deliberated on the forfeiture phase of the trial. The jury returned a special verdict during the forfeiture phase of trial, finding that the Browns had structured \$215,890 in purchases of Postal Money orders, and that they had used over \$70,000 in structured Postal Money Orders to pay the mortgages on two real estate properties that they owned. The Browns were each sentenced to 63 months in federal prison, and ordered to pay a \$215,890 money judgment forfeiture, as a result of the convictions on structuring charges. The United States Department of Treasury has taken custody of

a commercial property formerly belonging to Elaine Brown in West Lebanon, as well as the Browns' residence in Plainfield. The Asset Forfeiture Unit provided assistance to the criminal division during every phase of the prosecution, from indictment to post-conviction remedies.



United States v. Agnes Kim - Agnes Kim pled guilty to an indictment charging her with concealing assets from a bankruptcy court. As part of her sentence, she forfeited \$661,464.

United States v. Eric Furtado - Eric Furtado was convicted of distributing marijuana. As part of his sentence, he forfeited \$12,074.

AFFIRMATIVE CIVIL ENFORCEMENT (ACE)

The ACE Unit pursues civil fraud cases such as health care fraud and government program fraud, primarily under the False Claims Act, to recover damages and penalties for the United States, and often to obtain injunctive relief to prevent future fraud. The ACE Unit also pursues the enforcement of federal laws and regulations pertaining to the environment, and public health, safety and welfare. For example, the ACE Unit actively works to enforce the Americans With Disabilities Act (ADA) and provides support to the Occupational Safety and Health Administration (OSHA). The ACE Unit also handles "qui tam" litigation, or private citizen-referred lawsuits involving suspected governmental fraud.



In FY 2007, the ACE Unit continued to pursue numerous investigations into possible violations of the False Claims Act and recovered over \$1 million on behalf of the United States.

ACE (cont.)

In appropriate cases, the ACE unit has coordinated closely with the Criminal Division and the Asset Forfeiture Section to ensure that all appropriate law enforcement options are used in particular cases. In some cases, the ACE unit has conducted “parallel proceedings” by pursuing civil remedies against individuals or entities that also are the subjects of criminal prosecutions. In other instances, the ACE unit has worked with the Asset Forfeiture Section to ensure that wrongdoers do not retain properties that were purchased with ill-gotten gains.

United States ex rel. Albright and Barton v. Eberhart, et al— In this qui tam matter, HealthSouth Corporation, Robert E. Eberhart, M.D., Jonathan Holzaepfel, M.D., Thomas King, M.D., Seacoast Trust and Seacoast Trust, L.L.P. paid a total of \$1,050,000 to settle allegations that they violated the False Claims Act by submitting claims to Medicare based upon referrals that were tainted by an improper financial relationship. The whistleblowers in this case alleged that the rent that HealthSouth paid to Seacoast Trust (a real estate trust owned by several physicians) exceeded fair market value and reflected the value of referrals that HealthSouth received from the partners in Seacoast Trust. If this lease arrangement were improper, HealthSouth would have been prohibited from submitting claims to Medicare for physical therapy or occupational therapy services that were based upon referrals made by Eberhart, Holzaepfel, and King. Without admitting any liability, HealthSouth, the Seacoast Trust, Eberhart, Holzaepfel, and King all agreed

to enter into settlement agreements with the United States. HealthSouth agreed to pay \$775,000 to the United States. Eberhart, Holzaepfel, King, and the Seacoast Trust agreed to pay \$275,000.

United States v. Dominion Diagnostics, LLC— Without admitting liability, Dominion Diagnostics, LLC, a Rhode Island-based clinical laboratory, agreed to pay \$219,000 to settle allegations that it submitted improper claims that caused Medicare to overpay for laboratory tests.

OSHA v. Dan Sullivan, d/b/a Leakbusters Roofing— After a roofing business refused access to a worksite where safety hazards had been observed, the ACE Unit assisted OSHA in securing an administrative inspection warrant. When the owner of the business refused to permit an inspection of the worksite, the ACE Unit then initiated a contempt proceeding. After an evidentiary hearing, the court found the owner of the business in contempt, directed that the inspection proceed, and awarded costs to the government.



AMERICANS WITH DISABILITIES ACT ENFORCEMENT

The ACE unit works closely with the Disability Rights Section of the Justice Department's Civil Rights Division, the Governor's Commission on Disability, and other public and private entities to pursue, aggressively but appropriately, the Department's strategic plan of upholding the civil rights of all Americans by actively seeking out those public and private buildings, facilities and programs, which present physical barriers to accessibility, and to investigate vigorously those situations and to enforce the remedies under the ADA to its fullest extent. As part of that goal, the ACE Unit has provided consultation and technical assistance to municipalities and private entities to assist them in bringing facilities into compliance with the ADA without the need for litigation.

Among the ADA matters resolved in 2006 were:

As a result of a complaint filed by a deaf pilot, Concord Aviation Services in Concord, New Hampshire agreed to implement a series of non-discrimination policies and to train its staff regarding the ADA and the FAA's regulations related to deaf pilots.

The owner of the property housing the Concord Cooperative Market and the UPS Store in Concord, New Hampshire agreed to provide designated parking for individuals with disabilities.



U.S. Attorney Colantuono, AUSA John Farley, Special Agent Timothy Bond, and Civil Chief Gretchen Witt. AUSA Farley is presented with an award by Special Agent Bond of the Department of Veteran's Affairs/OIG for the successful prosecution of U.S. v. John Burke, et al.

ADMINISTRATIVE DIVISION

The Administrative Division provides administrative support to the office, including operations, personnel, finance, information systems, management, contract and procurement services and a variety of other support functions. Administrative Officer, Peter Kawonczyk oversees the office's financial, personnel and physical resources.

FY 2007 was a year of transition for the Administrative Division. Linda McAllister retired as the Deputy Administrative Officer and Budget Officer after 27 years of federal service. Procurement Officer Colleen Loiselle also retired after 29 years of federal service. Marie Vermette was promoted from Budget Technician to Budget Officer; Sharon Taub was promoted from a Legal Technician in the Civil Division to Procurement Officer and Janna Foote was promoted from Receptionist/Docketing Clerk to Financial Technician. Also joining our staff was Erin Sears as a contract worker in support services and Meaghan Emslie as a student intern.

PERSONNEL MANAGEMENT & HUMAN RESOURCES

Carol Fortin, our Human Resources Specialist, is responsible for all personnel matters from recruitment to retirement. The office processed ten new recruitment packages and seven retirements. Over 350 individual actions were prepared and sent to the Executive Office for United States Attorneys for processing, including personnel actions, payroll transmittal, benefits forms, current employee re-investigation packages, new hire personnel packages, pre-employment investigation packages, annuity estimate packages, disability packages, award nominations, student loan repayment program packages, credential requests, retirement applications, vacancy announcements and position description classification and renewal requests. She also handles numerous other human resources matters, such as Thrift Savings Plan, Health Insurance, Life Insurance, Combined Federal Campaign, Voluntary Leave Bank Program,



Sharon Taub, Marie Vermette and Janna Foote

Voluntary Leave Transfer Program, and Time and Attendance. Carol's "one person shop" continues to be a busy operation.

FINANCIAL MANAGEMENT AND PROCUREMENT

The office is funded through nine different Congressional appropriations. Maintaining accountability in financial matters is the District's highest priority. The office's fiscal team consists of Budget Officer Marie

ADMINISTRATIVE DIVISION (cont.)

Vermette and Financial Technician Janna Foote. This year the office processed over 460 obligations, 124 travel payments, and 1,138 electronic and draft payments. Sharon Taub is responsible for the office's procurement activities.

SYSTEMS AND INFORMATION MANAGEMENT

The Information Technology (IT) section is managed by Bob O'Connor with assistance from Jessica Magdziasz and Erin Sears. They maintain and enhance all of the office's IT servers, desktop computers and laptops. The wide area network was also upgraded into the Justice Unified Telecommunications Network, (JUTNET). This bandwidth upgrade serves to enhance network security, video conferencing

and general web access. The IT section also maintains the District Internet WEB at www.usdoj.gov/usao/nh as well as an Intranet for the office staff.

SUPPORT SERVICES

Arriving at our office, you will be greeted by Deborah Sheridan our Receptionist and Docketing Technician. She is responsible for ensuring that all visitors sign in and are given properly marked badges to comply with DOJ security regulations. Ms. Sheridan's responsibility as Docketing Technician is to properly docket all cases in a database for a clear and concise representation of the District's activities both in the Civil and Criminal Divisions.



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First Assistant U.S. Attorney

Joe Laplante

(Resigned as of December 28, 2007 to become U.S. District Court
Judge here in Concord)

Executive Assistant U.S. Attorney

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Robert J. Veiga, Deputy Chief

Appellate Section

Aixa Maldonado-Quiñones

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